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─── STUDENT REPORT ───
A PEM's
SURVIVAL GUIDE--THE FIRST YEAR

MAJOR LAWRENCE A. DANFORTH   88-0645
── *"insights into tomorrow"* ──
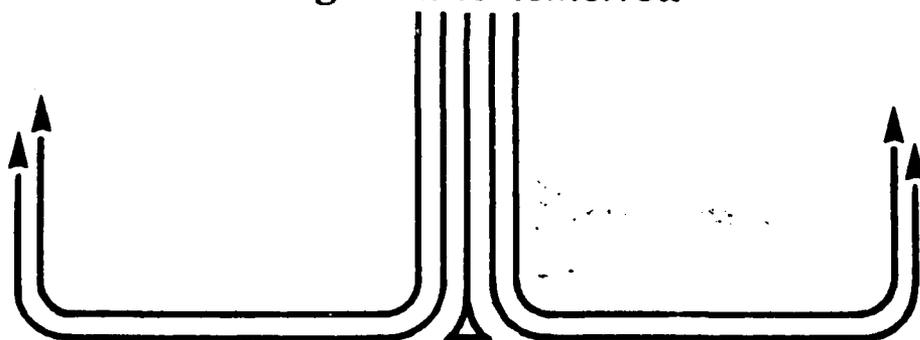
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The DoD uses the Planning, Programming, and Budgeting System (PPBS) as the process for matching resources and requirements. The Air Staff action officer most engrossed in this process is called a Program Element Monitor (PEM). The guidebook is intended to assist the PEM during their first year while they gain experience.

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This guidebook is intended for Air Staff action officers working with the Planning, Programming, and Budgeting (PPBS) process. This discussion is intended to help them survive their first year in the Pentagon without suffering major adjustments to their programs simply because they "don't understand the process."

The guidebook documents experiences of past Program Element Monitors (PEMs), appropriation managers, and panel Points of Contact (POCs). As such, it draws on past problems and solutions and does not attempt to predict the impact of the two-year budget process. Also, it would be virtually impossible to document all the potential pitfalls of such a dynamic and complex process, so the discussion is limited to the more common "dangers."

The discussion concentrates on the Programming portion of the process, the part of the PPBS when a program's resources are almost constantly being reviewed. The Programming cycle is also the most active time for the PEM.

The guidebook will be used in the PEM training program for the Command and Control Systems (C2S) and Standard Information Systems (SIS) panels at the Air Staff. It will be distributed to the other Air Staff panels and the programming secretariates at the major air commands for possible use in their training programs.

The guidebook is the product of an Air Command and Staff· College student project and has no official status. It is designed soley to benefit the new action officer assigned to PPBS duties at the Air Staff. It is also intended to aid MAJCOM action officers in understanding the pressures and complexities of the jobs their Air Staff counterparts have.

This booklet has drawn from a number of existing documents, the experience of the author, and the inputs of several Air Staff action officers. The inputs of Lt Col Geoff Bishop and Maj Rick Dinkins were invaluable and the author is indebted to them for their time and patient review. Special "thank you's" are due Maj Dan Mumaugh and his wife Cheri for their merciless editing and Lt Col John Meincke for his tireless proofreading of countless drafts.

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ABOUT THE AUTHOR

Major Danforth, the author of <u>A PEM's Survival Guide--The First Year</u>, has served in a variety of unit and staff assignments. As a communications officer he has served as a Chief of Maintenance, Chief of Operations, and Commander at the squadron level. He has staff experience at the Division, Major Air Command (MAJCOM), and Headquarters Air Force, as an action officer and Executive Officer.

He has been involved in the Air Force Planning, Programming, and Budgeting System (PPBS) at all levels of staff, culminating with a two year tour as one of 15 panel Points of Contact (POC) within the Air Staff Board Structure at the Pentagon. That unique position at the Air Staff coupled with his MAJCOM experience give him the background to put the complex PPBS process into layman's terms to prepare the newly assigned Air Staff Program Element Monitor (PEM) for their critical "first year." His five years as a MAJCOM and Air Staff PEM and the tour as a POC make his personal experiences invaluable to the novice. It was his personal experiences and frustration with the inadequacies of formal training at the Air Staff that prompted him to create this guidebook.

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THE NEED FOR AN AIR STAFF PEM HANDBOOK

The purpose of this treatise is to demonstrate the need for a handbook for use by the newly assigned Air Staff Program Element Monitor (PEM). To be useful, the handbook should view the Planning, Programming, and Budgeting System (PPBS) from the perspective of the PEM in the Pentagon.

The PPBS is DOD's process for allocation of limited resources against unlimited requirements. The process has its own unique language. The "roots" of the system involve relatively inexperienced mid-ranking (O-3 and O-4) officers as the PEMs and more experienced civilians. The new PEMs are at a disadvantage until they gain experience (usually after one year's cycle).

The "documentation" for the process is virtually non-existant or directed at groups other than PEMs. The unwritten ins-and-outs are passed by word-of-mouth. The learning curve can be expensive if the new PEM doesn't know when and how to defend his program.

A handbook outlining a PEM's responsibilities for each part of the cycle could save training time spent by action officers and PPBS administrators during the first year of a PEM's tenure. The guide should include examples of past problems and proposed solutions (including examples of "unsuccessful" solutions).

No document currently exists that is directed at the PEM. Existing documents are very general or directed at specific MAJCOM PEM's. For the first time, a comprehensive glossary exists defining the basic language of the PPBS (ACSC 87-1825), but the mechanics that tie the "words" together aren't included. New action officers must ask fellow workers how the process works or "what happens next?"

From my personal experience, I know the PEM's first year frequently becomes a monitoring process. Most first year PEMs concentrate on simply trying to find out what has happened to their program. Consequently, the corporate process frequently approves changes to program funding profiles without the action officer's analysis of the change's impact.

The Command and Control Systems (C2S) and Standard Information Systems (SIS) Panel Chairmen have specifically expressed a desire for a guidebook. HQ USAF/SCPB is an extremely supportive sponsor for a PEM guidebook.

It's the unanimous opinion of the analysts, panel Points of Contact (POCs), and PEMs queried (and who also reviewed drafts of the guidebook) that the guidebook would save valuable hours spent by current action officers explaining the process to newly assigned fellow workers.

The amount of time saved will obviously vary from panel to panel.
The current C2S Panel POC estimates the guidebook will save his
panel team 50 hours per year in individual PEM training as well
as another 10-12 hours in preparation for their annual training
program. Using the C2S Panel estimate as an average for the 15
Panels, the annual savings may be as much as 930 manhours per
year.

While the saved manhours alone make the guidebook attractive, the
real return is the earlier competence of the new PEM. The sooner
they eliminate the mistakes made in "ignorance of the system",
the better off the Air Force will be. The PPBS provides a
structure for prioritzation of finite resources against infinite
requirements. The system will only work properly when all the
"mechanics" in the system understand how to make it work.

With the cycle outlined from a PEM's perspective, a PEM will have
a better chance to stay ahead of the mechanics of the process and
provide impacts before program funding changes become faits
accomplis. The PEMs could provide senior decision-makers with
staffed impacts for proposed changes.

RECOMMENDATION:

Develop a guidebook to help prepare the newly assigned Air Staff
Program Element Monitor for the mechanics of the PPBS in the
Pentagon. The guidebook can be used as the basis for annual
training or a supplement for individual familiarization
throughout the cycle.

A PEM'S
SURVIVAL
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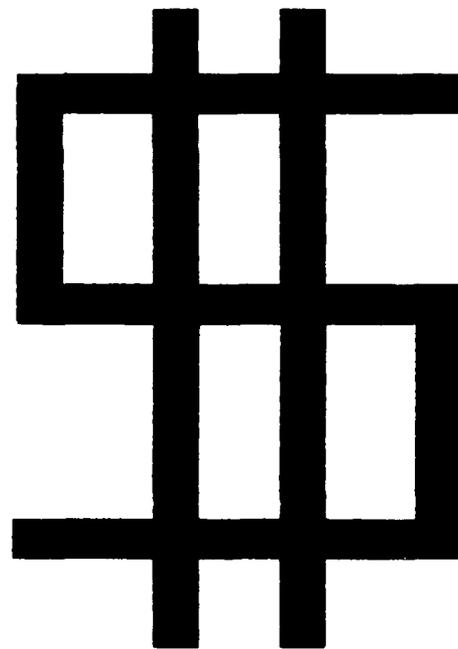
.....THE FIRST
YEAR !

ACKNOWLEDGMENTS

I am sure you will find several people in the Pentagon who will immediately drop everything to help you understand what's going on, and they'll spend as much time as you desire with your education. I'd like to note specifically just a few of the folks who spent literally hundreds of hours hammering me trying to limit the damage I did:

> Major Scott Arnott
> Mrs. Paula Brickates
> Colonel Fred Czerner
> Major Rick Dinkins
> Mrs. Marie Eppelmann
> Mr. Al Gilbert

The following notes are just a fraction of what they tried to teach me. I wholeheartedly appreciate their patience and marvel at their expertise. Hopefully you will also fall under the influence of professionals like these people.

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INTRODUCTION

Congratulations, you have just joined one of the most influential fraternities in the Air Force. Your success or failure as a Program Element Monitor (PEM) will impact the future of the Air Force. You also have one of the most demanding, frustrating, all-consuming jobs in the Air Force. It's probably totally different from anything you've ever done or will ever do again.

From now on, almost everyone you come in contact with in the Pentagon is c ing to try to take money away from your program for one of two reasons:

1. There isn't enough money to go around, and/or;
2. They believe their program (or their boss' priority) needs the money more than your program does.

You'll quickly find the most common PEM approach is to consider everyone you meet as an "enemy" until they prove otherwise--trust no one! I can't think of a safer approach!!

One of the major differentiators between success and failure is **experience**. Historically, some PEMs haven't had a chance to gain that necessary experience. Their program was "zeroed", or wiped out, as they were unpacking their household goods or, as sometimes happens, they were fired before they had a chance to work in the process and get the critical experience.

The purpose of this guide is to give you a headstart in gaining the experience to get you through the first year with a minimum of major mistakes. I'll document experiences of past PEM's and "technicians" in the Planning, Programming, and Budgeting System (PPBS) of the Pentagon, in hopes of helping you recognize some of the more common, and I think avoidable, mistakes. I will also detail some successful approaches to problems so you can use them as well.

The guidebook will concentrate almost entirely on the second "P" of the PPBS--Programming. That's where most of your effort will be directed and where most of the threats to your program's resources will come from. Except for an occasional specific reference to a program in the Defense Guidance (DG), most of the Planning is very nebulous and far above the pay grade of PEMs. The "B" or Budgeting, on the other hand, constitutes a much greater and more difficult challenge for you.

You probably won't get a chance to spend a cent of your program's money during your tour. Someone else will spend, or

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"execute" the dollars for you. However, you **will** **have** an
important role in defending your program's Operations and
Maintenance (O&M) dollars in front of the Operating Budget Review
Committee (OBRC). I've included some suggestions on how to
approach that series of meetings with the OBRC.

Major Dan Mumaugh, a 1987 ACSC student and formerly SAC/XPPD
and an Air Staff Training (ASTRA) Officer in PR, did everyone in
the business a big favor when he created a PEM's PPBS glossary
(ACSC 87-1825, at appendix 1). I'm using that glossary (appended
for brevity's sake) as a cornerstone and will try to tie the
definitions together to create a year-long story of what happens
in the trenches of the Pentagon from the PEM's perspective. If
you're not yet familiar with the jargon of the PPBS, please skim
Major Mumaugh's glossary. I won't repeat the definitions within
the body of the guidebook.

Attachments 1 through 5 are quick references I've collected
or condensed from "worksheets" as I've worked around the PPBS
business. Complete breakouts of the codes used in the databases
and reports are available through your comptroller analysts,
appropriation managers, and panel support teams. Note that since
the DoD reorganization of 1986, AC actually carries a Secretary
of the Air Force (SAF) office symbol, but for all practical
purposes they're an Air Staff function.

Throughout the guidebook you'll find several colloquialisms
in quotation marks. I've tried to use them in the context you'll
hear them in the Pentagon.

A WORD OF WARNING! HOI 21-18 ensures anonymity for all
activities in the PPBS. Decisions **must** be attributed to the
"corporate Air Force process" or Air Staff Board (ASB) structure
and **never** to individuals or specific groups within the structure
(2:19). It's called the "nonattribution policy" (5:4) and it's
taken seriously. Heed the warning no matter how specific your
information is or how anxious outsiders are to know "who did it?"

BACKGROUND

It's important to understand the origins of the PPBS and to
view the process from the perspective of the Office of the
Secretary of Defense (OSD) and Congressional decisionmaker.

"Criticism of Defense budgeting was heard with increasing
frequency [as early as] the late 1950's" (8:3). Specific
Congressional direction for revamping the process was first heard
in 1959 (8:4). When Robert S. McNamara became the Secretary of
Defense in January 1961, he saw himself as the man with the

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answers. He had a system for "deciding on the best mix of force structures and weapons systems needed for the national defense" (9:iii).

The existing "year-at-a-time" budgeting approach did not "provide, on a systematic basis, sound cost data on the individual weapons systems and force units for any period beyond the budget year" (3:2). Planners and "budgeteers" were literally out of touch and had no tool for talking to each other.

"The basic concept of the (PPBS was) to bridge the multi-year military planning system and the one-year budget system" (3:3). The system underwent growing pains for four years (1961-64) until the process was institutionalized by DoD Directive 7045.1, titled DoD Programming System. Secretary McNamara's process continued to mature and in August 1965, "President Johnson, on a nation-wide TV broadcast, stated that his confidence in the system was such that he had directed the same basic principles of the [Planning, Programming, and Budgeting (PPB)] concept be adopted by most of the other executive branches of the Government, to be installed no later than February 1966" (3:7).

There have been scores of adjustments since DoD Directive 7045.1 was first issued, but the basic system as we know it today was stablized in October 1969 with the publication of DoDI 7045.7, The Planning, Programming, and Budgeting System. Definitions were agreed to and the document became the source document for today's PPBS. The implementing instructions have been fine-tuned over the last 2 decades and the most current publication is dated 23 May 1984.

It's equally important to understand the origins and purpose of the Program Decision Package (PDP), the basic building block of the Air Force PPBS process. "While PDPs were initially developed strictly for (Program Objective Memorandum) POM preparation, they are now updated throughout the year and provide a program track throughout the PPBS process" (2:23). "A PDP describes an independent portion of the Air Force program in terms of the (total) resources needed for that portion (or program)" (2:23). "Programs are aggregations of Program Elements, and, in turn, aggregate to the total Five Year Defense Plan (FYDP)" (4:3).

One of the best overviews of the whole system from the executive perspective is the AF/PR Primer on the PPBS. I recommend a review of the primer for the strategic view of the process. The Primers are scarce and tough to find. See your Panel Point of Contact (POC) for a copy or go to the exercise people in AF/PRPRP (room 4C165).

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You must never forget that the PDP is an Air Force-only format--no one else in Washington looks at the complete "program" the way Air Force programmers do. We don't even have consensus within the Air Staff on the use of the PDP. While the Operating Budget Review Committee (OBRC) now requires MAJCOMs to use the PDP format when they brief, SAF/AC analysts still don't look at the PDP as the prime format for evaluating the resources in your program.

You must remember not to fixate on the PDP. Be looking constantly at your resources from the same angles from which those other folks are viewing your program. We'll discuss those angles as we step through the cycle. Remember, the PDP is an Air Force-only format and as such has its own Air Force database.

DATABASES

Perhaps the most important point to be made in this guidebook is the existence and relationships of the multiple databases used by the Air Staff in the PPBS. There is no "official" directive describing the hierarchy or preeminence of one database over the others, and people may disagree with my opinion. Accept this position as mine, but be aware there is contention and sort the interrelationships out for yourself and your program.

The key database is maintained by SAF/AC, reported to OSD, and eventually sent to Congress. It's called the Force and Financial Plan or F&FP database. Because of this Congressional reporting requirement, the F&FP is considered the only "official" Air Force database. The computerized software program used to manipulate the data is called Automated Budget Interactive Data Environment System (ABIDES).

There are several standard reports available from ABIDES (attachment 12). Your panel, appropriation managers, and AC analysts can also customize a report displaying your resources (present and/or historical) any way you desire. Investigate these reports and find out what's available. Use these reports to become familiar with your program and its history. This background will be invaluable to you at the most unexpected times.

However, ABIDES doesn't contain all the data elements required by certain Congressional committees (or for that matter, Air Force senior leadership). Therefore, ABIDES is "supplemented" with other "speciality databases" controlled by different appropriation managers (i.e. Military Construction (MILCON), procurement, or manpower) or functional Air Staff

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offices. For instance, AF/PR has the PDP database for support of
the corporate Air Force process. I've attached a matrix of the
current Air Force databases and the data elements contained in
each system (attachment 11). Refer to attachment 1 for a listing
of the appropriation managers and associated budget codes.

The prime "plus" of the PDP database is the narrative field
containing a maximum of 1096 characters which describes what the
resources do. Remember, your PDP narrative is reviewed by most
senior Air Force officials and all the MAJCOMs. For many people,
the narrative is all they know about your program. Make sure
this write-up is current and says what you want it to say.

At certain points in the cycle (just prior to formal
submission of the F&FP to OSD) all the databases are reconciled.
But frequently, "off-line" or "balancing" transactions may occur
the very next day. This will mean you will have to constantly
monitor all the databases you're involved with. Your key
contacts for this "monitoring" are your appropriation managers
and panel Points of Contact (POCs).

You may have to maintain two sets of books. One set
depicting your last "official reported account" from which you
answer all Congressional inquiries, and the other set with the
current account containing real-world adjustments. This second
ledger is the running account you will report to OSD via the F&FP
at the next opportunity. There are many ways to handle this
possible confusion. You'll have to find your solution. Be aware
there are multiple databases.

REMEMBER, THE F&FP IS THE "OFFICIAL" DATABASE.

With a historical review and a warning about the multiple
databases under our belt, it's time to start into the details of
the PPBS process.

DRILLS AND EXERCISES

There is a technical difference between a "drill" and an
"exercise" but nearly everyone in the Pentagon uses the terms
interchangeably. I've included the formal distinction in
appendix 1, but, for the purpose of the guidebook, I too will use
the terms interchangeably.

Each of the "drills" (the POM, BES, and PB) has its own
unique problems and opportunities and they all have common
threads. Each of the exercises is different in that each drill
is run by different organizations with people of differing
viewpoints and professional skills looking at your program from

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different angles. I'll provide more details as we step through each part of the cycle, but a brief overview follows:

> Program Objective Memorandum (POM) Run by AF/PR. The review is by program. The process prioritizes infinite requirements against finite resources. Deals with all five years of the Five Year Defense Plan (FYDP). Inputs come from the MAJCOMs (2:25-31).
>
> Budget Estimate Submission (BES) Overseen by OSD Program Analysis & Evaluation (OSD(PA&E)). Again the allocation of resources is by program (AF OPR is ACB). OSD "takes issue" with the AF POM. Deals with all five years of the FYDP. Inputs come from OSD "functional" offices.
>
> President's Budget (PB) Controlled by the OSD Comptroller (OSD(C)). The resources are reviewed by appropriation and Program Element (AF OPR is ACB). The emphasis is "repricing" and prior year obligation rates. Usually deals with the first two years of the FYDP. Inputs come from OSD(C) (2:5).

All of the exercises will directly endanger your program's resources. Whether it's the MAJCOM, HQ/AF, OSD, or Congress, someone out there doesn't want your program competing for the same finite resources as their pet project. As discussed above, their yardstick for measuring the merit or weakness of your program will change from drill to drill.

All of the exercises result in a reduction of the Air Force "budget" and a subsequent "bill" that must be paid to balance the books. This "bill" creates an indirect threat to your program. Each of the 15 panels (attachment 2) is handed a "target" (a dollar figure) which they must offer to the PRC in the final stages of the drill. However, the panels start meeting as the drill begins and will review their programs (all 5 years of the FYDP), searching for available dollars or "sick" programs to kill. The panel review will operate in parallel with the OSD "functional look" at the same resources. This parallel OSD/panel activity is intended to avoid a mad crash at the end (which it rarely does), but it can also result in "double-dips" to some programs. So, even if your program survives a direct challenge from the Hill or OSD, you may fall victim to a panel generated reduction to "pay the bill".

STARTING POINT

The traditional place to begin a discussion of the PPBS is with the POM (2:24). However, you probably arrived in the summer and won't see a POM for several months—in fact your program may be gone by the time you see the first POM. Depending on the year

(even or odd) It may be a full year and a half until you experience that first POM now that we are operating on a 2-year budget cycle.

It will be several years before we have enough experience with the 2-year budget submission for me to predict how the PPBS will be permanently effected. Congress has not shown a concrete commitment to the 2-year authorization or appropriation so this version of the guidebook is based on an annual cycle.

I'm assuming that since you arrived in the middle of the "Issue Cycle" or BES formulation, you didn't have much to say about the outcome. Somehow, you and your program survived and the DEPSECDEF signed the Program Decision Memorandum (PDM) condensing three months of high-level haggling into a 2 or 3 page document, and the programmatic "issues" are resolved. (I'll explain the BES process in a subsequent chapter.) Therefore, let's begin with the first part of the cycle that you will really be able to influence--the PBD or President's Budget cycle. If you don't fit into my assumed chronology, simply skip to the drill you're interested in.

However, before you get overwhelmed by the pitfalls in the process, it's important to emphasize that good programs do survive. This isn't entirely a doomsday forecast. Programs with strong operational support (war-fighting commands), good operational staff support (AF/XO), and a responsive SPO director and PEM usually survive. This kind of program will probably take its share of hits and may see reductions or delays; but, if the end product can really contribute to the future of the AF, the program will undoubtedly make it to a ribbon-cutting ceremony.

So let's go through each part of the cycle in detail. I will use past experiences of PEMs, appropriation managers, and panel POCs to point out pitfalls to avoid and hints that might help.

PRESIDENT'S BUDGET (PB)

The budget submission from the Executive branch to Congress is called the President's Budget (PB) and is submitted to the Hill in January (1:35). The tool used to build the PB is the Program Budget Decision (PBD) (2:39). Each PBD includes only one appropriation (attachment 1) and includes only certain Program Elements. Historically, there are 110 to 120 PBDs each year.

The people who run the PB formulation are comptroller types who are only looking at a slice of your program. It is your job to make these OSD(C) and SAF/ACB analysts aware of the impacts of

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their proposed adjustments to your program. Look at the last PB file in the F&FP database with the help of your panel POC to find out which PBD's impacted your program last year. The omnibus "repricing" PBDs are the ones that will "nickel and dime" your program to death.

PBDs, like Strategic Forces (002) or Tactical Forces (006), are not restricted to SAC- and TAF-unique PEs. They cut across scores of programs. Normally you will not be contacted by the AC or LE analysts to address any impact resulting from these kinds of across-the-board PBD reductions. These hits are relatively small, but to paraphrase the late Senator Everett Dirksen (R-IL), a hundred thousand here and a hundred thousand there and pretty soon you're talking about real money.

Most of the OSD(C) arguments for adjustment via PBDs will be based on mid-year obligation rates of last year's dollars with little or no consideration given to the realities of the habitually late Congressional release of funds or the intricacies of contract negotiations. For example, let's assume that last year Congress issued their traditional Continuing Resolution Amendment (CRA) which meant funds probably didn't filter down to your SPO through HQ/AFSC and the particular Production Division until the second fiscal quarter. If you add a couple months of final contract negotiations and the paperwork associated with the actual transfer of money to the contractor, you may not get to report the expenditure of the money until June or July. The pipeline for reporting actual obligation of funds to OSD(C) through the MAJCOM and Air Staff comptrollers can be 2-3 months long. The money shows up on the books as "unobligated" at the OSD(C) hearings in September. So, due to low obligation of last year's money, you lose some of next year's funds, and probably the following year's too.

Keep the pressure on your "spending agency" (your SPO, for instance) to ensure they expeditiously report all their expenditures. They may not have control over the CRA or contract negotiations, but they can control the administrative reporting. Expediting the paperwork reporting the actual obligation of funds can make a big difference at the OSD(C) hearings. Once again, the pipeline for reporting expenditure of funds to OSD through HQ/AF can be 2-3 months long. The OSD(C) analyst will propose adjustments via a PBD based on the reported percentage of expenditures, not what your SPO says they've spent.

The tool for AF rebuttal of a PBD is called a "reclama" (4:10). The entire reclama process is run by SAF/AC. The actual reclama is usually restricted to one page (with its own unique format) and will be reviewed by an Air Force general officer group called the Budget Review Board (BRB) before being forwarded to OSD by the Secretary of the Air Force (1:35). However, even

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when faced with overwhelming "new facts and devastating impacts" of the reductions, the historical percentage of reclamas accepted by DEPSECDEF is about nine cents on every dollar the AF rebuts.

After DEPSECDEF reviews the reclamas the AF will choose to "buy back" eight to ten of the PBDs but will have to "pay" for these PBDs with other offsets. These AF buy-backs are called Major Budget Issues (MBIs). MBIs are usually big items/issues like levels of spares, modification programs, pay, retirement, or the level of effort spent on research and development (4:10).

To pay for the MBIs and to balance the books after OSD(C) makes all their adjustments via the PBDs, the AF must find more offsets. OSD(C) will add more dollars to programs than they have to spend (by reducing other programs), and they will direct the Services to "find additional Total Obligation Authority (TOA)" to balance the books. That translates into a "cut drill." So, even if your program had great obligation rates and survived the direct assault of the PBDs, you now have to deal with your panel because they now have to produce money (offsets) to pay their part of the MBI bill and balance the OSD books. This is when the panel must recommend additional offsets which they have identified in their "parallel review."

You should ensure you don't get blindsided by a late PBD. If the panel is considering a "programmatic" adjustment to pay their bill, a surprise PBD may double-dip your program and could compound any MBI-related impact you have already discussed with your panel folks.

It certainly isn't guaranteed, but daily face-to-face contact during this period with your AC and OSD analysts may ensure there aren't surprises. It is to your benefit to convince the analyst to drop the mention of your program _before_ he ever drafts a PBD. Once a PBD appears "in draft" it's _very_ difficult to get OSD(C) to back down. If you're unsuccessful in keeping your Program Element and program "out of print", and it appears you're getting double-dipped by a PBD _and_ an offset to pay the AF MBI bill, you should go to your panel to see if they can get you off the hook.

From a pure definition standpoint. only the programmers in the building, AF/PR (through the panels) and OSD(PA&E)(in the Issue Cycle or BES), ever propose "programmatic reductions." The budgeteers on the other hand, "never deal with programmatics." Therefore, any repricing they propose is "non-programmatic." There isn't any formal definition of progammatic and non-progammatic, but there is an accepted norm.

Programmatic reductions delay acquisition milestones (e.g. Full Scale development (FSD), Initial Operational Test &

Evaluation (IOT&E), Initial Operational Capability (IOC), or Full Operational Capability (FOC)) or reduce/delete capability from that approved in the Program Management Directive (PMD). The non-programmatic reductions are not supposed to have these kinds of impacts. In many cases that's not true. What _is_ true is that the distinction between a programmatic and non-programmatic change is <u>which office</u> proposes the reduction and <u>not</u> the impact of the resource adjustment. My advice is to vigorously fight <u>any</u> reduction from the comptroller side of the house (AF/AC or OSD(C)) that has <u>any</u> impact on milestones or PMD "directed" capability.

PROGRAM OBJECTIVE MEMORANDUM (POM)

The bulk of the PPBS cycle focuses on the past and present. The only part of the business that looks to the future is the POM (1:18). The POM process is long and drawn-out. It can last more than four or five months with two or more trips into the building by nearly each MAJCOM, Direct Reporting Unit (DRU), and Separate Operating Agency (SOA). They'll come once to brief "disconnects" and again to brief "initiatives" (see appendix 1 for definitions). The panels will seek your advice regarding the MAJCOM/DRU/SOA proposals so you need to know what the users really want. The MAJCOM/DRU/SOA briefer is usually a programmer, not the functional expert, and they don't always accurately explain the request. You can be a big help to the panel and the user by being present during the briefings to provide any background needed.

Never get surprised by a MAJCOM "delta" whether it's a "disconnect", a "new initiative", or a user's suggested offset to pay for their proposed plus-ups. <u>Insist on getting pre-briefed by the MAJCOM/DRU/SOA representatives before they talk to the panels</u>. <u>Keep in touch with your MAJCOM counterparts</u>.

Sit in on early panel briefings (almost always crowded) and try to assess the mood of the panel. You will have a functional representative on the panel. Use that individual to find out who the key players are, who may need convincing, and who doesn't understand your program.

Seek feedback from your PRC representative (usually an O-6). This is valid advice for <u>all drills</u>. Make sure your PRC representative knows as much about your program as your panel chairman. See the panel POC and find out what the panel intends to say about your program in front of the PRC. PEMs <u>rarely</u> get into the PRC because of the limited number of seats. Don't rely

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solely on a paper when you're dealing with your PRC represent-
ative, especially in the middle of an exercise. Insist on going
face-to-face with them and ensure they understand the impact of
any proposed changes to your program. Then hold both your panel
and PRC representatives accountable. Seek an audience after the
meeting and, with your boss in tow, ask them what they did to
represent your program. Don't let them off the hook.

Keep the interest up in your program. You can't afford to
rest on your laurels. With the high turnover of personnel in the
Pentagon, you must conduct a continuous education program.
Silence may be interpreted as a sign of weakness in your program.
However, if there is a problem, don't instigate a debate until
you have a satisfactory answer.

When all the decisions have been made and the books are
balanced, the programmers try to translate the program changes
into budget language so the AC analysts can make the necessary
changes to the F&FP database. This results in "guidance" from
AF/PR (the panel support teams) to SAF/AC (the analysts).
Monitor this guidance closely to make sure the deltas and their
associated PDPs are matched correctly (2:24). Adding dollars to
the wrong PDP can be almost as disasterous as taking money from
the wrong program. When the database is final, it's "final."
Even when it's wrong, it's "right" until the next update.

One of the most potent tools you have is the Zero Balance
Transfer (ZBT). While the restrictions on the size/dollar amount
of ZBTs will fluctuate during the President's Budget and Budget
Estimate Submission exercises, the conclusion of the POM (known
as the A3 drill) always includes unrestricted ZBTs. Now don't
get too excited because this doesn't mean you can create new
money. It does mean that within any given year of the FYDP you
can transfer money between PEs, appropriations, and cost elements
(attachs 3, 1, & 4 respectively). However, you cannot move money
between years or change the program's direction.

These ZBT transactions allow you to adjust your resources to
keep pace with real-world changes to keep your program on track.
A common scenario follows:

> Your funded program includes front-end RDT&E, overlap-
> ping with a 3 or 4 year procurement profile, which dove-
> tails with an O&M line to sustain the equipment once
> it's delivered to the field. But your SPO has problems
> with the contractor and you need more R&D money to fix
> the cost overrun. With a ZBT you can change your first
> year of procurement into R&D to cover the SPO shortfall
> and then backfill the procurement with the first year's

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O&M. The end result is a delayed IOC and FOC, but your program has lived within its resources and directed program content.

To initiate a ZBT, your panel will require a coordinated Change Contol Sheet. (A blank CCS is at attachment 6.) This transaction will then be included as part of the "guidance" passed to the AC analysts. Use the ZBT to keep your program on track. Extra money to fix program shortfalls will be very scarce for the forseeable future, and programs will have to live within the resources they have.

BREAK TIME

Vacation time usually comes right after the "guidance" is passed to AC. This break coincides nicely with the school systems' summer vacation. Make sure the "guidance" is written correctly and then take a well-deserved vacation. Natural breaks in the cycle are rare--this is one of the biggest. The next drill starts soon.

BUDGET ESTIMATE SUBMISSION (BES)

The publication of the BES is the culmination of intense deliberations in the Issue cycle, which runs from early July to Labor Day (2:33). If you're a glutton for punishment, seek membership on an Issue Team. This part of the process is where the OSD and OJCS functional offices "take issue" with the service POMs. Service "experts" comprise issue teams and work with the OSD issue authors to try and convince OSD that changes to the proposed POMs aren't necessary. Usually it's not that the OSD ideas aren't good, but it's a matter of not having enough resources to pay for their ideas. Air Force participation on the teams is controlled by PR and you'll need the sponsorship of your panel chairman if you're not in PR. It's a great opportunity to interface with the AF Secretariat and OSD at the highest levels. I recommend this experience to everyone--once! It's very demanding and will eat up your summer, but it's worth it.

As a member of an Issue Team, or even if you're simply asked by your OSD counterpart to help clarify something about the POM, defend the AF POM at all costs. Doing otherwise could mean serious trouble and could end a career--yours!

Remember, the Secretary of the AF has signed the POM and has said it's the best balanced submission we can put together. If

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you feel there's something really dumb in the POM or your program has changed over the summer, work with your panel and PRC rep and fix the error within AF channels. It will almost always get fixed. Don't go behind the Secretary and Chief's backs by working your program's shortfall via an Issue!

There are eight or nine Issue Books (attachment 7) (2:35). There's a large infrastructure of action officers and generals to determine the issues and then brief them to the Chief of Staff and the Secretary (1:33). Find the individual doing the word-smithing on your program in the Issue Book and volunteer to help--they'll accept.

The final "issue" decisions are made at the DRB--very powerful people. (The membership of the DRB is at attachment 8.) The outcome doesn't always make sense to the folks in the trenches because there are a lot of political decisions made at this level. The best available record of what happens in these meetings (which by design is woefully incomplete) is called the "Issue Scoresheet." You can find a copy in the office that supports your Air Staff Board member.

As the DRB negotiations conclude and the "Issues" are concluded, PR will get a "bill to pay" from OSD(PA&E). A "successful" OSD issue means the Air Force has lost its case and now has a bill to pay. For instance, if a strategic aircraft program has money added as a result of a successful issue, the Air Force offset to pay for this add will most likely come from strategic PEs. Again, you don't really gain anything by working "behind the issues" with OSD. At this point the panels are again operating in parallel looking for "weak programs" to pay the bill.

Most of the contentious issues aren't settled until the very last minute. These major issues usually involve billions of dollars. AF/PR and the Issue Book infrastructure work in parallel with the DRB, betting on how these major issues will come out and trying to anticipate the size of the final bill. The minute the final issues are settled the Air Force must be ready with a list of acceptable offsets that exactly equals the the bill--magic!

The process is particularly dangerous in the final days of the BES formulation and very dangerous in the final hours. Get the schedule from your panel POC and be available 24 hours a day in these final 2-3 days.

If any of the large controversial offsets are rejected by OSD, the Air Force needs big bucks in a hurry to fill the offset void. In both my years as a panel POC, I saw major damage to big programs between 10 p.m. and 6 a.m. of the final night. PEMs

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who weren't available for comment didn't even know about reductions to their programs until they came to work the next morning, and it was too late to do anything. In my last year there wasn't even time to call the PEMs who _were_ available on standby to discuss the impacts.

Be available constantly! Listen for "hit-list" rumors and keep talking to your PRC and panel folks no matter how exhausted they (and you) become. These "hit-lists" are the sources for the last minute book balancing. TRACK DOWN ALL RUMORS!

Many times senior officers will have their own personal lists. These lists get created by well-intentioned staff officers responding to incredible demands with impossible suspenses and, in some cases, incorporating their general's personal priorities. The facts and impacts concerning these proposals may or may not be correct or complete.

I witnessed a serious reduction to a program even though the very senior Air Force leadership was told the basis for their decision was incorrect. They needed the money and there wasn't time to find an alternative source. Promises to "fix" the program after the dust settled were not kept. When the database is final, it's "final." Follow all rumors about these hit-lists to their source and try to avoid getting this kind of "publicity."

The culmination of the Issue Cycle is a document called the Program Decision Memorandum (PDM) signed by the DEPSECDEF. Attached to the PDM are several pages summarizing the TOA changes driven by the DRB decisions _and_ the services' offsets to pay the resulting "bill" (4:8). Once these changes have been translated into "guidance", we call the result the Budget Estimate Submission (2:36) and pass the product to OSD(C) to begin the process again with another President's Budget. Now that we've completed a full chronological cycle, there are a few points that apply to all parts of the process.

AUDIT TRAIL

All transactions that change _anything_ in the F&FP or PDP databases have an 8-digit alphanumeric identifier called a Change Control Number (CCN). These CCNs are your historical trail for following the changes to your resources; they're also "finger-prints" you can use to find the culprit who "reallocated" your money without coordination. Again, your panel POC is the detective who can help you with this audit trail. They can get you one of the standard reports from the ABIDES system called the

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RC-12 which is built for each individual exercise. The standard codes for the individual exercises are as follows:

POM	A1	Disconnects
	A2	Initiatives
	A3	Repricing and ZBTs
BES	B1	Issues
	B2	Repricing and "restricted" ZBTs
PB	C1	PBDs
	C2	Repricing and "restricted" ZBTs

Not every cycle will have all the individual exercises and occasionally others will be added. Your greatest number of "surprises" will occur in the "repricing" or "clean-up" drills (see appendix 1 for definitions of "repricing", "recosting", and "ramp management").

TIMELESS HINTS

COMPROMISE: Don't take "attacks" on your program personally. All the "technicians" are doing their jobs as best they can. They don't always see the PPBS world or your program the same way you do. Always be prepared to negotiate and compromise. Avoid win/lose confrontations.

AUTOMATION: It will be important for you to be proficient on the automation capability in your office. Whatever your rank, at some point in your tour (and most likely, frequently) you'll have to create a late night position paper for a very high ranking official. While normal staffing and coordination of position papers can be a painful process in the Pentagon, it's not unusual for an action officer's paper to go from the word processer to the Chief of Staff and the Secretary in less than a hour during the final hours of the BES or PB. Learn how to use your word processing system. Keep a standard talking or background paper available at all times. If possible, keep several versions (of various detail) available and as current as the changes in your dollars and program allow.

BUDGET EXECUTION: All appropriations except O&M and military personnel are "multi-year" dollars. They don't have to be spent the same year they're appropriated by Congress. Be careful! Every appropriation has an expected expenditure rate for each year (i.e. 70% expended after one year for 3080). That's a minimum rate--if you expect to keep the rest of your money you should plan to be above these required expenditure rates.

OPERATING BUDGET REVIEW COMMITTEE: The OBRC oversees the
budgeting for operations and maintenance (O&M) money. You'll
need to be intimately involved in the review of the MAJCOM
requests. The SAF/ACB analysts usually pre-brief the OBRC
chairman prior to the MAJCOM presentation. Work with the
analysts before they brief their general.

HUMOR: Keep your sense of humor and take some time off.
Ensure you're backed up and leave phone numbers with someone on
your panel.

VISIBILITY: Don't hide--be visible to your panel support
team, your panel funtional representative, and your PRC
representative. If rumors persist about a cut drill, go to your
panel, find out how big the bill is, and ask if your program is
being reviewed.

CINCS/MAJCOMS: Don't forget your job is to represent a
unified or specified CINC or an Air Force MAJCOM (2:2). It's
really easy to confine yourself to the Pentagon, but don't let
that happen. Your "using" and "developing" agencies must know
what you have and have not got funded. Talk to them all the
time. Be up-front with them--you'll need their help too!

FISCAL REALITY: Keep your MAJCOM users and your developers
in touch with the reality of the fiscal environment of the time.
Don't let them bury their heads in the sand if major reductions
to the program are inevitable. Make them think smaller budget.

ANALYSTS: Meet your AC and LE analysts and get to know
them. Drop in on them when they don't expect it. Their sup-
posedly "non-programmatic" adjustments can kill your program.
Make them deal with you face-to-face and force them to
acknowledge the impacts of their actions. They have a job to do
also, but they should be held accountable to the war-fighting
commands for their deeds. Help them understand your program and
the commands' missions.

APPROPRIATION MANAGERS: Meet your appropriation managers
(See attachment 1). Learn what they do and how they interface
with the congressional staffs. The supporting documentation
(exhibits) they submit to Congress are known as P-series (for
procurement) and R-series (for RDT&E). The preparation of these
documents is time-consuming, and you must be meticulous. Start
early and follow directions carefully.

ZBTs: Find out early what the rules for ZBTs will be for
each drill. There are a few key people in AF/AC and PR who
control the rules of engagement. Those rules will change
depending upon their experience and the mood of the OSD staffers
they deal with. Use the ZBT to keep your program on track.

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PANEL BRIEFINGS: Brief your panel on your program "out of cycle." Host the support team or the entire panel at the SPO or operating command. Don't wait for the scheduled "baseline reviews" when they're looking at hundreds of programs. Get their attention when there isn't any pressure of an impending cut drill. Convince them how important your program really is to the Air Force. In other words--market your program.

KNOW YOUR PROGRAM: Know where the dollars will go and for what. Know the procurement schedules and other timelines. Know unit costs, the procuring agency, the kind of contract, who the contrator is, contract award dates, etc. (6:2-4) If you leave unknowns in the minds of the panel, it will make their jobs easier when it comes time to look for money.

PROGRAM DIRECTION: If your program has its "content adjusted" and a programmatic change is directed, it's the PEM's responsibility to issue a change to the Program Management Directive (PMD) (7:Ch 5) and, if necessary, change the narrative in the PDP. A change in the PDP narrative alone does not constitute an official program change. Only a revised PMD changes program content.

PRC REP: Talk to your PRC representatives constantly. Keep these people current on your program all the time. Don't wait for a cut drill to start your representative's education. Keep an up-to-date background paper in their PRC book at all times.

PANEL REP: There is one of your peers (O-4 or O-5) on your panel who needs to be smart on your program too. Early discussions about cutting your program can be turned off quickly if that key individual has the facts. Keep them smart and avoid a "feeding frenzy" on your program's resources.

BOSS: Make sure your boss goes face-to-face with the panel chairman, your panel representative, and your PRC representative. Don't wait until your resources are on the chopping block. Try and establish some kind of rapport between them when the pressure is minimal. Personal relationships do play an important role in the process.

PEOPLE: "The formal PPBS provides the skeleton [for the building of the Air Force budget], but people provide the heart, brains, and muscle which make it work" (2:50).

INTEGRITY: There's a tongue-in-cheek saying that declares PEMs will lie for four reasons:

a. for the good of their country,
b. for the good of the Air Force,
c. for the good of their program, and
d. for practice!

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You'll have to establish your credibility and expertise. Your panel and various representatives at different levels of the Air Force Board structure will support you if you level with them and have your facts together.

SUMMARY

For every potential problem I've discussed, there are another 100 I didn't mention or have time to deal with. For every possible solution or opportunity I have mentioned, there are at least another 100 options. The most successful PEMs I had the pleasure to work with were the professionals who could put the needs of the Air Force ahead of their MAJCOM and program loyalties.

After having his program picked apart for two years, one PEM stood up at an early panel strategy meeting and said, "My program should be killed in the first round. There isn't enough money to do the job properly." That took guts, and he took some heat from his MAJCOM; but he knew he was right, and his boss did too.

Don't hesitate to challenge the "technicians." Fight if you really believe your program should survive--but look around and see what other kinds of programs are losing money and assess the relative benefits your program can provide to the Air Force.

Remember, don't take it personally. Take leave when you can and enjoy the opportunities of the Washington area.

GOOD LUCK!

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LIST OF ATTACHMENTS

1. Appropriations/Codes/Appropriation Managers
2. Corporate Air Staff Panels/MAJCOM Relationships
3. Major Force Programs/Program Elements
4. Cost Elements
5. Organizational Activity Codes (OAC)
6. Change Control Sheet (CCS)
7. Issue Book Titles
8. Defense Resources Board (DRB) Membership
9. Essential Pentagon Phones/Locations
10. Data Element Definitions
11. Data Element Matrix
12. ABIDES Standard Report Definitions
13. MILCON Categories

MAJOR APPROPRIATIONS*

APPROPRIATION TITLE	CONGRESSIONAL AND PDP CODE	ABIDES CODE	LIFE SPAN	APPROP MANAGER
Aircraft Procurement	3010	10	3	LEXM
Missile Procurement	3020	20	3	LEXW
Other Procurement (AF)	3080	16	3	LEXP
MILCON (AF)	3300	24	5	LEEP
RDT&E (AF)	3600	28	2	SAF/AQX
O&M (AF)	3400	30	1	SAF/ACB
Military Personnel (AF)	3500	32	1	PRM
Reserve Personnel (AFR)	3700	50	1	RECB
MILCON (AFR)	3730	51	5	RECB
O&M (AFR)	3740	52	1	RECB
MILCON (ANG)	3830	54	5	NGB/DE
O&M (ANG)	3840	55	1	NGB/AC
ANG Personnel (ANG)	3850	56	1	NGB/AC

Attachment 1   * Expanded from AFP 172-4 pp52-56

AIR STAFF PANELS
AND THEIR
MAJCOM RESPONSIBILITIES*

PANEL	PANEL TITLE	CHAIRMAN	MAJCOM(S)
A	Strategic Offense	PRPF	Strategic Air Command (SAC)
B	Strategic Defense	XOXFD	Air Force Space Command (AFSPACECOM) Alaskan Air Command (AAC)
C	Command and Control Systems	SCPB	None
E	Electronic Combat	XOEX	Electronic Security Command (ESC)
F	Facilities	LEE	None
H	Support Information Systems	SCPB	Air Force Communications Command (AFCC)
J	Research, Development Test & Evaluation	SAF/AQXT	Air Force Systems Command (AFSC)
K	Reconnaissance and Intelligence	XOORZ	None
M	Mobility	PRPFM	Military Airlift Command (MAC) US Transportation Command (USTRANSCOM)
N	Space	SAF/AQSL	None
P	Personnel Activities	DPPR	Air University (AU) Air Force Reserve (AFR) National Guard Bureau (NGB) Air Training Command (ATC)
S	Support	PRPRC	Air Force Logistics Command (AFLC)
T	Tactical	PRPFT	Tactical Air Command (TAC) US Air Forces Europe (USAFE) Pacific Air Forces (PACAF) US Central Command (CENTCOM)
U	Special Operations Forces	XOOS	Special Operations Command (SOC)
W	War Readiness Materials	XOXFM	None

Attachment 2   *Expanded from HOI 21-18 Attachment 2

MAJOR FORCE PROGRAM (MFP)
AND
PROGRAM ELEMENT (PE) COMPOSITION*

MFP	DESCRIPTION	MAJOR USERS
1	Strategic Forces	SAC
		SPACECMD
		AAC
2	General Purpose Forces	TAC
		PACAF
		USAFE
		CENTCOM
3	Intelligence and Communications	AFCC
		ESC
4	Airlift/Sealift Forces	MAC
5	Guard and Reserve Forces	NGB
		AFRES
6	Research and Development	AFSC
7	Central Supply and Maintenance	AFLC
8	Training, Medical and Associated Activities	ATC AU
9	Administration and Associated Activities	
10	Support of Other Nations	NATO
	(the database substitutes an "a" for "10")	
11	Special Operations Forces	SOC
	(the database substitutes a "b" for "11")	

PROGRAM ELEMENT COMPOSITION

The Program Element is a six-digit code whose first digit is the MFP and last digit designates the service or agency:

XXXXXX
MFP   SERVICE

a,b or 1-9   A=ARMY
                    F=AIR FORCE
                    N=NAVY
                    J=OJCS
                    D=OSD

Attachment 3   *Expanded from AFP 172-4 and the AF/PR Primer

MAJOR COST ELEMENTS BY APPROPRIATION

There are two types of Cost Elements (CE) PEMs have to deal with. The first is a nine-digit code used on the F&FP ABIDES system:

> Positions 1-2 are appropriation (APPN)
> Positions 3-5 are element of expense investment code (EEIC)
> Positions 6-7 are budget activity code (BAC)
> Position 8 designates constant dollars or inflation
> Position 9 designates development, investment or operating code

These F&FP data elements are explained in detail in attachment 10

The Cost Elements more commonly used by the PEM are the PDP_CE used on the Program Decision Package (PDP) system. This seven-digit code uses the two-digit appropriation designator in the first two positions and adds either the Weapons System Code (WSC), Resource Identification Code (RIC), or DoD Element of Expense (DODEE) as its source. Again, these individual components are explained in attachment 10. The most common PDP_CEs follow:

3010 Aircraft Procurement		3020 Missile Procurement	
101000x	Aeronautical Vehicle	1420xxx	Aeronautical Vehicle
1010x19	Advanced Buy (PY Credit)	1421xxx	Modifications/Updates
1010x29	Advanced Buy (CY)	1422xxx	Replenishment Equipment
1011xxx	Modifications	1423xxx	Space Prgms & Adv Buy
1012000	Common AGE (PAI Costing)	1424xxx	Industrial Facilities
101200x	Common AGE (Other)	1425xxx	Replenishment Spares
1013xxx	Sims & Other Tng Devices	1426xxx	Initial Spares
1014xxx	Industrial Facilities	1427xxx	Special Act & Undist
1015001	Non-recurring Spares		
101500x	Replen Spares (POS Costing)		
10150xx	Replen Spares (WRSK/BLSS)		
10161xx	Initial Aircraft Spares		
10162xx	Initial War Reserve Spares		
10163xx	Initial Common GSE Spares		
10164xx	Initial Modification Spares		
1017xxx	War Consumables		
1019xxx	Other Charges		
10xxxxx	Undistributed		

3080 Other Procurement	3400 Operations & Maintenance

1681xxx Minitions	3001xxx Civilian Personnel
1682xxx Vehicles	3002xxx Travel of Persons
1683790 Comm-Elect Spares	3003xxx Transport of Things
1683801 Comm-Elect Class IV Mods	3004xxx Std-Level-User-Chgs
1683xxx Elect & Telecom Equip	3005xxx Utilities and Rent
1684xxx Oth Base Mx & Spt Equip	3006xxx Communications
16xxxxx Undistributed	3007xxx Printing & Repro
	3008xxx FNIH Personnel
	3009xxx Purchase Eq Mx-Cml
3500 Military Personnel	3010xxx Purchase Eq Mx-IF
	3011xxx Purch Eq Mx-Oth DoD
	3012xxx Other Purchases fm IF
3220101 Officer Pay	3013xxx Other Purchased Service
3220102 Enlisted Pay	3014xxx Aircraft POL
3220103 Cadet Pay	3016xxx Other Supplies
3220104 PCS	3017xxx Equipment
329xxxx Undistributed	3018xxx Other Expenses
32xxxxx Other	3019xxx Mat Mx Service Credit
	30xxxxx Undistributed

3300 Military Construction

3600 Research, Dev Test & Eval

24301xx Ops and Training Fac	
24302xx Mx & Production Fac	2800xx1 Technology Base
24303xx RDT&E	2800xx2 Adv Technology Dev
24304xx Supply Facilities	2800xx3 Strategic Programs
24305xx Hospital & Med Fac	2800xx4 Tactical Programs
24306xx Admin Facilities	2800xx5 Intel & Communications
24307xx Unaccomp Housing	2800xx6 Programwide Mission Spt
24308xx Community Facilities	2839xxx Civilian Personnel
24309xx Utilities Installation	2860xxx Mission Support
24310xx Air Pollution Abatement	2861xxx Fuel
24311xx Water Pollution Abatement	28xxxxx Undistributed
24312xx Energy Conserve Invest	
24314xx Planning & Design Prgm	3740 AFR Operations & Maint
24315xx Minor Construction Prgm	
24330xx Consolidated Crypto Prgm	
24331xx GDIP	5239xxx Civilian Personnel
24333xx Special Activities	52xxxxx Other O&M (AFR)
24xxxxx Undistributed	
	3840 ANG Operations & Maint
3850 ANG Personnel	

	5539xxx Civilian Personnel
56xxxxx Nat'l Guard Personnel	55xxxxx Other O&M (ANG)

Attachment 4

OPERATING AGENCY CODE (OAC)

A two-digit code on ABIDES which uniquely identifies each MAJCOM, SOA, or DRU which receives Air Force funding.

OAC	AGENCY
35	HQ Air Force withhold
40	Air Force Intelligence Service (AFIS)
41	National Guard Bureau (NGB)
42	Air Force Accounting and Finance Center (AFAFC)
43	Air Force District Washington (AFDW)
46	Electronic Security Command (ESC)
47	Air Force Systems Command (AFSC)
49	Air Force Communications Command (AFCC)
51	United States Central Command (USCENTCOM)
52	Special Operations Command (SOC)
53	Air Force Technical Applications Center (AFTAC)
54	Air Force Office of Special Investigation (AFOSI)
55	Air Force Audit Agency
56	Air Force Inspection and Safety Center (AFISC)
57	Air Force Manpower and Personnel Center (AFMPC)
58	Air force Operational Test & Evaluation Center (AFOTEC)
59	Air Force Management Agency (AFMEA)
60	AF/ACBMC
62	Air Force Reserve (AFRES)
63	Air Force Logistics Command (AFLC)
64	Air Training Command (ATC)
65	Military Airlift Command (MAC)
66	Air University (AU)
67	Strategic Air Command (SAC)
68	Air Force Elements
70	United States Transportation Command (USTRANSCOM)
71	Alaskan Air Command (AAC)
73	Air Force Commissary Service (AFCOMS)
74	Pacific Air Forces (PACAF)
76	Air Force Engineering & Services Center (AFESC)
78	Tactical Air Command (TAC)
79	Aerospace Defense Command (ADC)
80	United States Air Forces Europe (USAFE)
83	Space Command (SPACECMD)
88	Foreign Military Training Assistance Group
93	United States Air Force Academy (USAFA)

Attachment 5

CLASSIFICATION

PDP CHANGE CONTROL SHEET (CCS)   SUSPENSES 1._____
                                                  2._____
            EXERCISE _____   3._____
                                                  4._____

DELTA PDP NO. _____   DELTA PDP TITLE. _____

ADD/DELETE FUNDED PDP NO. _____   ADD/DELETE FUNDED PDP TITLE _____

HOME PDP _____   HOME PDP FOR PE _____?

WHO DIRECTED CHANGE _____

WHAT IS DELTA PDP SUPPOSE TO ACCOMPLISH ? _____
_____
_____

RESOURCE SUMMARY FOR DELTA PDP

PE/APPN/CE	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94

ADMIN RULE: MERGE ☐   PE MOVE ☐   CE MOVE ☐   SPREAD ☐   NEW INITIATIVE ☐

GUIDANCE REMARK: _____
_____
_____

COORDINATION:

    PANEL(S) _____   MANPOWER _____

    FORCE PROGRAMMER _____   PEM(S) _____

    FLYING HOURS _____   APPN MGR _____

    PROP MGR _____   AFR/ANG _____

PRPRP USE ONLY
    INITIAL RECEIPT/ISSUE _____   ADD/DELETE LIST _____
        RETURNED _____   DELTA LIST _____
        RECEIVED _____   GUIDANCE: VERSION _____
                                                     DATE _____

CLASSIFICATION

CLASSIFIED BY: _____
DECLASSIFY ON: _____

ISSUE BOOK TITLES

BOOK NUMBER	TITLE
1	Policy & Risk Assessment-CINC Issues Memo
2	Nuclear Forces
3	Conventional Forces
4	Modernization and Investment
5	Readiness & Other Logistics
6	Manpower
7	Intelligence (limited distribution)
8	Management Initiatives, Defense Agency Issue Memo

Attachment 7

DEFENSE RESOURCES BOARD (DRB) MEMBERSHIP*

Chairman: Deputy Secretary of Defense

Executive Secretary: Director, Program Analysis and Evaluation

PERMANENT MEMBERS

Secretary of the Army
Secretary of the Navy
Secretary of the Air Force
Chairman, Joint Chiefs of Staff
Under Secretary of Defense (Policy)
Under Secretary of Defense (Research and Development)
Assistant Secretary of Defense (Acquisition and Logistics)
Assistant Secretary of Defense (Command, Control,
    Communications and Intelligence)
Assistant Secretary of Defense (Comptroller)
Assistant Secretary of Defense (Health Affairs)
Assistant Secretary of Defense (International Security
    Affairs)
Assistant Secretary of Defense (International Security
    Policy)
Assistant Secretary of Defense (Manpower)
Assistant Secretary of Defense (Research and Technology)
Assistant Secretary of Defense (Reserve Affairs)
General Counsel
Director, Program Analysis and Evaluation
Director, Strategic Defense Initiative Organization
Director, Operational Test and Evaluation
Assistant Director for National Security and International
    Affairs

OTHER ATTENDEES (NONVOTING)

Chief of Staff, Army
Chief of Naval Operations
Chief of Staff, Air Force
Commandant Marine Corps
National Security Council Representative

Attachment 8   *Extracted from AF/PR Primer

ESSENTIAL PENTAGON PHONE NUMBERS AND LOCATIONS

	Room #	Phone**
Audiovisual Equipment	5E233	78105
Barber Shops		
POAC (they take appointments) POAC		920-3007
Concourse*	Concourse	52470

       *Check with your office-mates to find out which
         barbers to avoid

	Room #	Phone
Beauty Shop	Concourse	71644
Biographies		
AF (active duty)	4C914	57793
AF (retired)	5C879	55809
Army	2E749	77994
Clothing Sales		
Purchases	5E510	57508
Alterations	5E510	59690
Club Purchasing*	5E380	79866

      *"Membership" is a building pass or military ID

	Room #	Phone
Computer Hardware Maintenance		51450/72193
Computer Supply Store	5E152	N/A
Department of Motor Vehicles (VA)	Concourse	55786
Executive Dining Room	3C1063	50876
Finance	5D236	56694
Florist	Concourse	50800
Graphics (AF)	5E181	78251
Jewelry Store	Concourse	521-2444
Legal Assistance		
Notary Public-AF	5C276	70413
Lock Shop (Safe lock-outs)	5E322	53364
METRO Information	Concourse	635-1234
		(ask for Pentagon)

```
Passports                           1B872        N/A

Pharmacy*                           4A750        71188
        *Flight surgeon's office will fill presrcrptions
         written at Malcolm-Grow Clinic (Andrews AFB hospital)

Photo Lab                           1C600        52603

POAC
     Paging                                      521-5023
     Cafe.eria (reservations)                    521-5020

Printing Plant (AF)                 4C851        52355

Recreation Services
     Army                           3A176        73816
     Air Force                      5E367        79866
     Armed Forces Hostess Assoc.    1A736        73180

Reference Libraries
     AF Publications                4A1088C      74835
     DoD Publications               3B960        52167

Reproduction (AF self-help)         4A1088D      75079

Small Computer Software Assistance  3A153        40580

Switchboard*                        BF935A       71201
          *"Official" connection from AUTOVON to your home or
           vice-versa

Tours
     Helicopter tours of DC         Nat'l Arpt   920-1194
     by Stuart Aviation             Commuter Terminal
     Pentagon (begin at 0930)       Concourse    51776

Travel (GELCO)
     TDY Domestic                   1A864        762-8180
     TDY International               1A864        279-7901
     Personal                       Concourse    979-5500
     Emergency (on the road)                     800-328-6200

Video Club                          5E416        N/A
Weather (recording)                              936-1212

Worldwide Locator         Randolph AFB     AV 487-5774


     **All Pentagon phone numbers have "69" as the missing
     commercial prefix, and "22" as the AUTOVON prefix.

Attachment 9
```

DATA ELEMENT DEFINITIONS

CODE: APPN   TITLE: Appropriation   SOURCE: Congressional Law

DEFINITION: A fund authorization established by Congressional Act which permits Federal agencies to obligate the Federal government to pay for goods and services.

PURPOSE: Appropriations allow identification of funds by their expenditure category, i.e., investment, personnel pay, construction.

CODE: AV_ID   TITLE: Aerospace Vehicle Identification
              SOURCE: DoDM 4120.15-L

DEFINITION: Unique identifier for all aerospace vehicles of direct interest to DoD.

PURPOSE: Provides cross-reference to approved designations and popular names.

CODE: AV-PURP-ID   TITLE: Aerospace Vehicle Purpose ID
                   SOURCE: AFR 800-20, VOL I

DEFINITION: Indentifies the purpose for which an aerospace vehicle or trainer is assigned or possessed. For example, combat coded aircraft are indentified as CC resources; TF relates to flying training.

PURPOSE: Discriminates between like aircraft for employment purposes.

CODE: CCN   TITLE: Change Control Number SOURCE: ABIDES ASCAD

DEFINITION: An eight-position field assigned by the Air Staff to provide an audit trail of each change to the F&FP database.

PURPOSE: Allows tracking of changes from each exercise for any program or level of detail.

CODE: CE   TITLE: Cost Element   SOURCE: ABIDES

DEFINITION: A nine-digit field denoting appropriation (positions 1-2), element of expense (positions 3-5), budget activity

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(positions 6-7), constant dollars or inflation (position 8), and development, investment, or operating code (position 9).

PURPOSE: Identifies the element of expense for Air Force programs.

CODE: CMD   TITLE: Command   SOURCE: ABIDES

DEFINITION: Identifies MAJCOM's and Separate Operating Agencies.

PURPOSE: Identifies resources by command.

CODE: CONFIG_ID   TITLE: Configuration Identification
                    SOURCE: AFR 700-20, VOL I

DEFINITION: Aircraft unique system configuration, e.g., F-15C with PW F100 engine = PV; F-15C/D with PW F200 engine = PW.

PURPOSE: Identifies aircraft unique system configurations for improved logistical support.

CODE: COUNTRY   TITLE: Country   SOURCE: ABIDES ASCAD

DEFINITION: Nation/country where a specific manpower resource is based.

PURPOSE: Assures various end strength ceilings are tracked and maintained per status of forces agreements, Congressional inquiries, and budget submissions.

CODE: EEIC   TITLE: Element of Expense Investment Code
               SOURCE: ABIDES

DEFINITION: A subset of appropriation which categorizes the nature of services and items acquired for immediate consumption or capitalization. There are two types of EEIC: DoD Element of Expense, 2 positions, and Air Force Element of Expense, 3 positions.

PURPOSE: Identifies the type of resource consumed in executing a program.

CODE: INSTL_NAME   TITLE: Installation Name   SOURCE: GEOLOC

DEFINITION: Base name where resources are located.

PURPOSE: Relates resources to bases.

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CODE: MILCON_PROJ   TITLE: PDC Project Number
                        SOURCE: Base level programmers

DEFINITION: A 12-position identifier used to control and track
MILCON projects.

PURPOSE: Allows tracking of MILCON projects through this unique
number.

CODE: MOD_NO   TITLE: MODIFICATION NUMBER   SOURCE: AFLC

DEFINITION: A four- or six-position identifier associated with
aircraft modifications. This identifier provides a reference for
a specific aircraft modification for programming and management
considerations.

PURPOSE: Provides tracking of Class III, IV, and V aircraft
modifications for LEX action officers.

CODE: OAC   TITLE: Operating Agency Code   SOURCE: AFAFC

DEFINITION: A two-digit code which uniquely identifies each
MAJCOM, SOA or DRU which receives Air Force funding.

PURPOSE: Allows identification of command/agency/unit-related
funding.

CODE: PBD   TITLE: Program Budget Decision   SOURCE: OSD/C

DEFINITION: A code derived through a matrix of program element,
weapon system code, operating agency code, and cost element which
relates OSD decisions to program funding.

PURPOSE: Relates OSD-related changes to program funding within
the ABIDES database.

CODE: PDP   TITLE: Program Decision Package   SOURCE: ASB Panels

DEFINITION: A four-position identifier assigned to a set of
resources (cost and quantity) associated with a "named program".
Named programs can occur in any combination of program elements,
appropriations, or cost elements.

PURPOSE: Provides a means of aggregating resources into a single
identifiable package (PDP) in order to define all resources
(costs and quantities) associated with a specific named program.

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CODE: PDP_CE   TITLE: PDP Cost Element
                 SOURCE: PDP Conversion Tables

DEFINITION: Lowest level of cost/resource detail in the PDP. The
PDP_CE is derived from ABIDES according to the APPN, e.g., for
APPN 1-4 and 16, WSC is the source; 5-7, RIC; 10, 14, 24, 28, 30,
50, 51, 52, 54, 55, 56, 58, 60, and 61, EEIC (APPN 30 uses the
EEIC converted to a DODEE.

PURPOSE: Provides resource and cost data at a sufficiently
aggregated level of detail to aid the Air Staff Board Structure
in making programmatic decisions and allow budget analysts to
interpret the decisions as changes in ABIDES.

CODE: PE   TITLE: Program Element   SOURCE: ABIDES

DEFINITION: An aggregation of appropriation/EEIC funding and
resources which constitute a specific, identifiable military
capability or support activity.

PURPOSE: Relates programs to funding per OSD program budget
definitions.

CODE: PROJ_TYPE   TITLE: Type Program   SOURCE: Base/MAJCOM

DEFINITION: A three-position code which allows differentiation of
MILCON projects according to the activity, i.e., Active, ANG,
AFRES, MFH, O&M, or medical.

PURPOSE: Identifies type of program, i.e., REF - Regular Air
Force, ANG - Air National Guard, RES - Reserves, NAF -
nonappropriated funds, MFH - Military family housing, O&M -
operations and maintenance, MED - medical.

CODE: RD_PROJ   TITLE: RD Project   SOURCE: PEM

DEFINTIION: An R&D project groups tasks or efforts directed
toward a single end result. A project will contain an effort
unique to a single program element and the budget activity of
which that element is a part.

PURPOSE: Identifies funding associated with a specific project
for the budget submission.

CODE: REGION   TITLE: Region   SOURCE: ASCAD Country Table

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DEFINTIION: Identifier for one of nine geographic regions to which manpower resources are assigned.

PURPOSE: Provides basis for cost factors and analysis of manpower resources. Allows a determination of manpower by region for budget submission and Congressional inquiries.

CODE: RIC   TITLE: Resource Indentification Code   SOURCE: OSD/C

DEFINITION: An OSD data element which identifies appropriation manpower, force structure, or unit size. Required by OSD/C in the budget submission.

PURPOSE: Identifies funding and resources for the FYDP transmission to OSD.

CODE: UNIT_ID   TITLE: Organization   SOURCE: AF/PRPJ

DEFINITION: Provides the number, kind, and type of an organization which contains PDS resources. Example: 1234TFGS90000.

CODE: WSC   TITLE: Weapons System Code   SOURCE: PDS, LE, RD

DEFINITION: A six-position identifier for line items in the procurement (investment) and RDT&E appropriations.

PURPOSE: Identifies line item funding or quantities.

The above information was condensed from a product produced by AF/PRFS, Col Fred Czerner, in the spring of 1987 for the PDP Working Group.

Attachment 10

KEY DATA ELEMENTS BY DATA BASE

	APPN	AV_ID	AV_PURP_ID	CCN	CE	COMMAND	CONFIG_ID	COUNTRY	EEIC	INSTAL_NAME	MILCON_PROJ	MOD_NO	OAC	PBD	PDP	PDP_CE	PE	PROJ_TYPE	RD-PROJ	REGION	RIC	UNIT_ID	VSC
F&FP	◇	◇		◇	◇	◇		◇	◇		+	+	◇	◇	◇	+	◇		+		◇		◇
PDP	◇	◇												◇	◇	◇					◇		+
PDS		◇	◇	◇		◇	◇		◇			◇					◇				◇	◇	
MPWR	◇			◇		◇		◇									◇			◇	◇		
MODS										◇			◇			◇							◇
RDT&E																◇		◇					
MILCON				◇			◇		◇	◇			◇	◇			◇	◇				◇	
XOX		◇	+				◇			◇												◇	

◇ CURRENT
+ PROPOSED

The above matrix was provided to the Program Decision Package (PDP) Working Group in the spring of 1987 by Col Fred Czerner, AF/PRFS

Attachment 11

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ABIDES STANDARD REPORT DEFINITIONS

RC-12: This report is broken by Program Element (PE), Resource Identification Code (RIC), and appropriation. Shows the changes to the baseline position for any given exercise. Note the report only goes down to the appropriation level. You will need a specialized report down to the Organizational Activity code (OAC) and Element of Expense Investment Code (EEIC) to accurately determine what happened. The report reflects the Change Control Number (CCN) which provides the audit trail for each transaction. The RC-12 reflects "exercise guidance" and shows the impacted Program Decision Package (PDP).

OMPE: This report only shows operations & maintenance (O&M) resources. It is broken by PE and has subelements of endstrengths, manyears, and flying hours. The lowest level of detail on the OMPE is the EEIC.

OM 31: This report shows your program in current and inflated dollars. It's the report that shows the impact of inflation. The OM 31 is broken by PE, Department of Defense Element of Expense (DODEE), and EEIC.

STD101: Called the "standard 101", this one-page report shows an entire PE at the appropriation level. It's an excellent report to see flying hours, end strengths, and manyears. In contrast to the OMPE, the STD101 shows all appropriations.

STD106: The "standard 106" is a multi-page report broken by PE, APPN, and CE. It shows dollar appropriations but does not include manpower. It's a good report to use if you want a gross total for the PE.

Attachment 12

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MILITARY CONSTRUCTION CATEGORIES*

INTRODUCTION: Each of the projects in the Military Construction (MILCON) Program is placed into one of these two broad categories: New Mission or Current Mission.

DEFINITION:

New Mission - This category consists of all projects considered "must pay" items since they directly support decisions already made to acquire and deploy weapons systems and equipment. or to achieve a high degree of force sustainability and readiness, or to provide the capability for rapid deployment of contingency forces. New Mission MILCON does not revitalize existing Air Force facilities. This category includes projects to support: (a) new and expanded mission beddowns such as the B1-B bomber, Peacekeeper, Advanced Technology Bomber (ATB), and Over the Horizon Radar (OTHB); (b) new equipment scheduled for delivery such as flight simulators, computers, command control and communications equipment, and intelligence gathering equipment; (c) space programs and new research, development and test initiatives; (d) force sustainability, readiness and increased combat capability and survivability of our forces in Europe and the Pacific such as POL and munitions storage. aircraft shelters, security facilities, chemical warfare protection, alternate launch and recovery, and rapid runway repair facilities; and (e) projects to support rapid deployment of contingency forces to Southwest Asia and Central America, such as facilities at Oman, Morocco, Diego Garcia and Panama. The 'New Mission" category also includes planning and design funds which are required to design all future construction programs and finally, the minor construction program which supports urgent out of cycle requirements.

Current Mission - This category provides facilities that are essential for attracting, retaining, and motivating quality Air Force people. These include projects that provide better places to live and work in and are essential for revitalizing and protecting the $117 million investment in the Air Force physical plant. This is done by upgrading or replacing obsolete facilities and alleviating existing space shortages. "Current Mission" projects increase efficiency, productivity, and morale. and while not specifically driven by weapons and equipment purchases, they are essential to accomplishment of the Air Force mission. The category includes upgrading and replacement of unaccompanied personnel housing, morale and welfare facilities, shops, storage, administration facilities, improved research and development facilities, and utility systems.

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Summary of Content of each Category

New Mission - Typical Items Included

- Aircraft beddowns such as B-1B, ATB
- Missile Programs such as - Peacekeeper, Small ICBM, ALCM
- Radar/Electronics such as - OTHB, Simulators,
    Communications, Intelligence, Computers
- Special R&D such as Large Rocket Test Facility
- Space such as Titan Launch Facilities
- Readiness/Sustainability such as - POL, Ammo, Shelters
- Air Base Operability
- Southwest Asia support at Oman, Diego Garcia, and Morocco
- Central America support at Howard

Current Mission Typical Items Included

- Building replacements, building upgrades and correction of
    long-standing building deficiencies
- Unaccompanied Personnel Housing
- Gyms, Chapels, Libraries, Recreation Centers
- Aircraft, Vehicle, and Base Engineering Maintenance
    Facilities
- Warehouses and other storage
- Utility Systems
- Improvement of R&D Facilities
- Pavements (airfield and roadways)

*The above paper was provided by HQ USAF/LEEPD (Facilities Panel)
to the Air Staff Board Structure Panels in the spring of 1987.

Attachment 13

The following glossary has been extracted from Major Dan Mumaugh's 1987 ACSC project (87-1825), The ABCs of the PPBS, an Action Officer's Glossary and has been edited for brevity. Entries preceeded by an asterisk have been added or modified. Biographic entries refer to Major Mumaugh's references which follow the glossary.

ADVOCACY PDP: This type of PDP is used to lend support to a program not sponsored or built by your organization. These PDPs are almost always coordinated between MAJCOMs in support of each other. For example, your MAJCOM may have great interest in a particular program being pursued by another MAJCOM. In recognition of this interest, your MAJCOM builds a PDP that mirrors the other command's PDP and includes it in your Program Objective Memorandum (POM) submission to the Air Staff. Normally, when you submit a new PDP to Air Staff, you provide the funds to execute it. In the case of an Advocacy PDP you hope the other command can cover the cost of executing the program. If they are unable, your command will be asked to provide your share of the funding required.

AIR FORCE COUNCIL (AFC): Highest Air Staff decision making body (PPBS decisions among others). The AFC resides at the top of the Air Force Board Structure (except for the SECAF Policy Review Council which doesn't get too involved with POM development) and is the last level of POM review prior to the Air Force POM going to the USAF Chief of Staff and the SECAF. The AFC is deeply involved in the PPBS because it is charged with reviewing Air Force objectives in light of the USAF mission and the associated policies, plans, and problems involved in accomplishing it. A look at the AFC voting membership will illustrate why it is at the top of the Air Force Board Structure:

AF/CV	Vice Chief of Staff (chairman)
AF/CVA	Assistant Vice Chief of Staff
SAF/AC	Comptroller of the the Air Force
AF/IG	Inspector General
AF/LE	DCS Logistics and Engineering
AF/DP	DCS Personnel

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AF/XO       DCS Plans and Operations
AF/PR       DCS Programs and Resources
SAF/AQ      Military Deputy for Acquisition
AF/SG       Surgeon General                    (1:79)
```

AIR STAFF BOARD (ASB): The ASB has wide-ranging responsibilities similar to that of the AFC. As far as its PPBS duties go, the ASB reviews all POM related issues prior to those issues going to the AFC. The ASB's voting membership is as follows:

```
AF/PRP      Director of Programs and Evaluation (chairman)
AF/IG       Deputy Inspector General
SAF/ACB     Director of Budget
AF/IN       Asst Chief of Staff for Intelligence
SAF/AQ      Director of Development and Production
AF/SC       Asst Chief of Staff, Systems for Command,
              Control, Communications and Computers
AF/XOX      Director of Plans
AF/LEX      Director of Logistics Plans and Programs
AF/SGH      Director of Medical Plans and Resources
AF/DPP      Director of Personnel Programs
AF/SA       Asst Chief of Staff for Studies and Analysis
                                            (1:Fig 7-3)
```

AIR STAFF BOARD STRUCTURE: The Air Staff Board Structure is the Air Force corporate organizational framework with and within which HQ USAF and Air Staff senior officials can review, plan, implement, and study Air Force issues to include future plans and policies, major programs, resource allocation priorities, etc. It consists of the following:

The SECAF Policy Review Council/Program Review Participants
The Air Force Council
The Air Staff Board
-The Force Structure Committee
-The Program Review Committee
-The Operating Budget Review Committee
-The Security Assistance Committee
-14 Panels
-Action Officers

This organizational framework is constantly in use. While it can and does allow the Air Staff to work any issue in a corporate manner, it is particularily well suited to PPBS activities, especially POM building. Starting at the very bottom and the foundation of the successful functioning of the entire structure are the Action Officers. They are the Program Decision Package and Program Element Monitors, the

people who put all the data together to form the POM itself,
the program advocates, and the program defenders. Action
officers are often panel members themselves and as such
respond to the panel chairmen. Panel chairmen have twenty
to thirty panel members (captains, majors, and lieutenant
colonels) on whom they rely to review and prioritize baseline
and new initiative programs. Panels are chaired by colonels.
The panel chairmen are responsible to the committees--
primarily the Program Review Committee. The committees are
made up of senior colonels (12 to 15) and are chaired by
general officers (usually brigadiers). The committees report
to the Air Staff Board (ASB) which is populated primarily by
major generals and is chaired by AF/PRP. The AFC is chaired
by the Vice Chief of Staff (four star general) and its
membership is mostly at the Deputy Chief of Staff level
(three star generals). The whole organization is serviced by
a board secretariat (AF/CVS) which provides administrative
and scheduling support.

APPROPRIATION: This is a type of funding authorized by an
act of Congress. This act (manifest as an appropriation
bill) allows a department or agency (like the DOD or CIA) to
obligate the United States government to pay money. This
money may be paid for goods (F-100 engines and spare parts)
or services (contractor support to install F-100 engines in
F-15 fighters). The appropriation itself does not cost
taxpayers any money--it only authorizes the department or
agency to sign a contract or in some manner fiscally obligate
the government for goods yet to be delivered and services yet
to be performed. The money is only paid after it has been
raised by the treasury in anticipation of receiving the goods
and services and only as/after those items and actions have
been realized. Appropriations may be in effect for varying
lengths of time--an annual appropriation lasts for one fiscal
year. A multiyear procurement contract may have the benefit
of being authorized a multiyear appropriation and be in
effect for an entire Five Year Defense Program. (3:A-3)

APPROPRIATION CATEGORY: Also known as and referred to as
"Color of Money". These categories or "colors" are the
channels down which money, once appropriated by Congress,
flows to a specific program. It is a broad way to slice the
DOD money pie and it allows Congress to (in a macro way) see
where funds are going. These categories are described in
detail in AFP 172-4 and they are further broken down into
their subelements--you should refer to 172-4 for a
description of what these categories buy and for a listing of
their subsets.

APPROPRIATIONS BILL: This bill (passed by the U.S. Congress once a year) actually grants monies sought by departments and agencies via their PPBS activities and as approved through the Congressional authorization process. This is, in POM builders' language, when the check is finally put in the mail. It is the last Congressional action that caps the PPBS process--it legislates the dollars! These are the dollars which the Air Staff Board Structure and the major commands programmed approximately two years prior to the year of the bill's passage. However it often does not appropriate the full amount sought by the Air Force or authorized by the Congressional Authorization Committees. In recent years Congress has failed to pass this bill within the time limits it has imposed on itself. In this case, Congress passes what is known as a Continuing Resolution Amendment (CRA). A CRA allows the government (DoD included) to continue to operate at previously approved levels of funding but does not allow any new programs to be started unless specifically stated in the legislation. An appropriations bill is the product of both houses of Congress. In the House of Representatives, this process is conducted by the House Appropriations Committee, referred to as the HAC. In the Senate, the process is handled by the Senate Appropriations Committee--it is known as the the SAC.

AUTHORIZATION BILL: This is similar to an appropriations bill in that it too is a Congressional process aimed at putting money against needs. An authorization bill precedes (usually) an appropriations bill and as such is the second to last step prior to the services (as well as all other government departments and agencies) being able to expend funds. However, there is an important difference between the two processes. While an appropriations bill grants actual expenditure of funds, the House and Senate Authorization Committees merely "O.K." programs and the cost associated with them as long as that cost is not open-ended.

BASELINE: This term takes on different meanings depending on whether you are a planner, a programmer, a budgeteer, a logistician, or an acquisition specialist. No matter what category you put yourself in, the meaning of "BASELINE" can change as you transition from one conversation to another--it depends on who you are talking to or what part of the acquisition/PPBS pipeline you are grappling with. The paragraphs below explain two common usages--one for programmers and one for acquisition specialists.

Programmers will most often hear and use this term in relation to individual existing PDPs/ongoing programs-- separate packages already funded and expected to continue

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(like the PDP funding F-15 Squadrons). They also use it when referring to an entire group of existing PDPs/ongoing programs--again funded and expected to remain that way (all those programs contained in last fiscal year's Air Force budget). In simple language "BASELINE" programs are those that were already in existence the day the programmer began work in his office. They were funded by Congress in prior years. Barring cancellation or retirement of the program or weapon system, it will continue to receive annual funding. These PDPs and the programs they support form the basis (the BASELINE) for building new programs. The programmers add to or take away from these PDPs to enhance the programs themselves or can "claim" money excess to the needs of one or more programs to be used somewhere else by the Air Force or MAJCOM. A particular PDP/program can be called a "baseline PDP/program". A whole group of PDPs/programs can be referred to as the "SAC (or MAC or TAC, etc.) baseline" or the "Air Force baseline".

The definition of baseline to an acquisition specialist is more easily understood, and is found in AFR 800-25. It is used in connection with defining program content when dealing between MAJCOMS and the Air Staff. It involves a rigorous match-up and documentation of program requirements, content, and cost with the participation of all MAJCOMS concerned with the program. Baseline agreements and objectives are coordinated with the Air Staff and tasked via Program Management Directives which are similar to contracts between developing MAJCOMs (AFSC and AFLC), using MAJCOMS (SAC, TAC, etc.), and the Air Staff. (2:A-5).

One final word on the term BASELINE: The two definitions given above are only a couple of the ways this term can be used. If someone uses it and you are not sure of what he or she means, you'd be smart to have them stop and explain their usage--you'll save a lot of confusion.

BASE OPERATING AND SUPPORT (BOS): BOS is what it costs to "open the doors" at any Air Force base and keep them open. BOS dollars are those dollars it takes to sweep the streets and plow the runways. BOS dollars are required to man and operate the commissary and the recreation center. The BOS dollars cannot be directly tied to a weapon system, military construction project, or research and development program. BOS dollars are identified under the 3400 category of appropriations--it is one of those 15 different "colors of money".

BLACK PROGRAM: This term is used almost interchangeably with SAR (Special Access Required). It refers to those programs

that require special compartmentalized security clearances.
You may hear someone say, "I can't discuss that program.
It's 'black'." Or this, "This program is in the 'black
world' and details regarding its funding can't be discussed."
Black Programs are handled outside the normal PPBS.

BOGEY: This is best thought of as a TARGET. It is a dollar
mark the Air Force, a MAJCOM, or an Air Staff Board/MAJCOM
panel can be asked to hit. Who is asking you to hit the
BOGEY simply depends on where you sit. If you are chairman
of the Air Staff Board, you'll probably be asked (told) by
the Defense Resources Board. If you are the person in charge
of your MAJCOM POM building shop, you'll probably be asked
(told) by the ASB's Program Review Committee or your Air
Staff counterpart who represents your interests there. And
so it goes. Unfortunately, hitting this target usually
involves a lot of figurative bloodletting and literal heart-
burn because, wherever you sit in this process, the people
above are asking you to cut your programs back--usually
severely. The term BOGEY is most often used during what is
referred to as a "Cut Drill" and that means lots of difficult
decisions must be made in a hurry.

BOS TAIL: Every weapon system and every person in the Air
Force carrys a BOS (Base Operating and Support) tail around
with it, him, or her. A BOS tail is the cost associated with
stationing one airplane/missile or a whole squadron at a
base. If you put a weapon at a particular base, you are also
going to have to send people to maintain it. You are going
to have to provide more fuel to power it and its support
equipment and people to operate and maintain the support
equipment. And you'll have to send more people to take care
of the people who work on or with the weapon system--people
like commissary workers and hospital technicians, etc. The
magnitude of the tail depends on how many airplanes or
missiles and people you put on a base, but whether it is a
single airplane or 10, a few people or a whole squadron,
there are costs associated with putting them there. This
funding is almost always in the 3400 appropriation category.

*BUDGET PROGRAM ACTIVITY CODE (BPAC): A BPAC is a Weapons
System Code (WSC) for the "Other Procurement" appropriation.
These are broad categories which include procurements related
to a specific type of activity.

BUDGET ESTIMATE SUBMISSION (BES): The FYDP is updated three
times every year and the BES is one of those updates--the
other two updates are the PB and the POM. Each update

displays all the programs in the FYDP (known as BASELINE programs) based on a previous costing exercise. In the case of the BES, the data displayed is based on the services' POM submissions to the Defense Resources Board (DRB). When the DRB is through, the SECDEF issues a Program Decision Memorandum (PDM) which tells the services what he did and did not like about their POM submissions and what will and will not be in the DoD's portion of the President's Budget. The BES combines the results of the "issues" between the DRB and the services. It is the document that shows the outcome of the SECDEF's decisions and presents the costs associated with them. Most importantly, it is the BES that the MAJCOMs use to start the construction of their next POM submission to the Air Staff--it is their baseline document.

CLASS IV MODIFICATION: A Class IV MOD is a weapon system modification intended to restore that weapon system to its original capabilities. This type of modification usually is required due to aging of the system or a design flaw discovered after the weapon was placed in service. An example of this kind of modification is having to re-skin the lower wing surface of the KC-135 fleet due to fatigue associated with the airplane's age. This modification restores the aircraft "back to specs", so to speak. The costs of performing these modifications are usually funded under the 3010 (for aircraft) or 3020 (for missiles) appropriation category--two of the fifteen different "colors" of money.

CLASS V MODIFICATION: A Class V MOD is a weapon system modification intended to improve that system's capabilities. This type of modification is usually required to offset an increase in enemy capability or because it just makes sense to modernize the system with available technology. An example of this type of modification is re-engining the KC-135 fleet with new, more powerful engines. This modification improves the KC-135's ability to perform its mission--it improves on the original specifications. The costs of performing these modifications are usually funded under the 3010 (for aircraft) or 3020 (for missiles) appropriation category--two of the 15 different "colors" of money.

COLOR OF MONEY: This term is used interchangeably with and refers to the 15 different appropriation categories Congress uses to channel money into large budget accounts.

CONTINUING RESOLUTION: This is a Congressional work-around of its own rules. It is tied to the annual appropriations

bill supposed to be signed into law each October 1st which is
the beginning of the fiscal year. A continuing resolution
amendment (CRA) allows Congress to fund the government, to
include the DoD, at the previous year's level while they
haggle over funding levels in the bill they are trying to
pass. The DoD usually watches this debate closely as the
Congressional arguments perennially revolve around how much
will go to defense programs and how much will go to domestic
programs. A CRA does not allow any new program starts
unless specifically stated in the legislation. In recent
history, Congress has often failed to pass an appropriations
bill on time and a CRA has been relied on to fill the gap.

CUT DRILL: This is an activity (usually frenzied) tied to a
downward directed reduction in the amount of funding pro-
grammed for the current FYDP and/or proposed POM submissions.
A cut drill usually occurs as the result of an OSD or
Congressionally mandated reduction in the amount of funding
the services had programmed into the FYDP. The reduction in
the amount of a service's funding means their program plans
must be scaled down. This scaling back can take the form of
outright cancellation of some programs, reducing the scope of
others, a stretching out of many programs, or a combination
of all of these options. This kind of drill often creates a
pressure cooker atmosphere as the guidance usually comes from
high levels and the response time is always too short. You
have to present a plan of what your service, command, or
panel (depending at what level you're operating) is willing
to let go. If you don't present a plan on what you will cut
and what you won't, you'll lose something anyway, and it may
not be what you would choose to give away first. A cut drill
is never any fun to be part of, but you've got to play or
you'll lose a program or programs you can't stand to be
without.

DECREMENT: Here is one that means pretty much what you'd
think it should. It means taking away from an established
baseline. This term is used most often regarding taking all
or a portion of funding away from a program.

DECREMENT PDP: A decrement PDP is a very special and
specific type of "Delta PDP". This type of PDP is built to
take funding out of a program. It can "claim" all the money
in a particular program or just a portion thereof.

DEFENSE GUIDANCE (DG): The Defense Guidance is an OSD
produced planning document. Putting the DG together demands
much from the joint staff, service staff, and subordinate

command staff officers who perform this task. It is the "authoritative statement directing defense policy, strategy, force and resource planning, and fiscal guidance for development of the [service] POMs." (3:2-1) The DG has sections in it dealing with "near and long-term threat assessment and opportunities; policy and strategy;. . . force planning guidance; . . . resource planning;. . . fiscal guiddance; and unresolved issues requiring further study".(3:2-1) The DG is distributed throughout the DoD to include MAJCOMs.

DEFENSE RESOURCES BOARD (DRB): The DRB is the highest DoD corporate decision making body and much of what it does revolves around the PPBS. It directs and supervises the OSD review of all the DoD component POM and BES submissions. It ensures the DoD components follow OSD fiscal guidance and generally makes sure the PPBS is kept on track. It attempts to resolve as many PPBS related problems (usually to do with force structure and associated funding levels) without elevating them to the SECDEF. If unable to resolve issues at their level, they make recommendations to the SECDEF regarding their resolution. In simple terms, the DRB reviews each service POM and BES to see if they are in concert with the force structure and fiscal guidance as defined in OSD policy and as laid out in DoD planning documents.

DELTA: This refers to a change (either an increase or a decrease) in a baseline PDP/program. A delta becomes necessary for one of the three following reasons:

1. The original funding profile was not sufficient to produce what the program was supposed to provide. You have a funding shortfall and it has to be alleviated or the program will be unexecutable. A delta (in this case an increase) is applied to fix it.

2. The original funding profile was too generous and all the money contained in the PDP is not required to complete the program. A delta (in this case a decrease) is applied to "claim" the extra money. The excess money is often used to fix programs that have shortfalls, fund new programs, or enhance others.

3. An existing (baseline) program needs to be made more capable. In this case the delta is increasing the amount of money in the program's appropriated funding profile.

In any case, where funding is added to or taken from a program, a "delta PDP" must be built to effect the transaction.

DELTA PDP: This a special type of PDP. It is built to add to or take funding from a program. When this kind of PDP is adding money to a program, it is known just as a "delta PDP. However, when this type of PDP is taking funding from a program it acquires a more specific name--it is then referred to as a "Decrement PDP".

DISCONNECT: Like a lot of these terms, this one has about as many definitions as there are programmers. There is even a quasi-official definition the Air Staff Board Structure recognizes. A disconnect is a program funding or content shortfall--driven by forces "outside the Air Force. The shortfall will result in not meeting a capability or schedule originally programmed. Conscious Air Staff Board decisions (during previous drills) to reduce program content of delay schedules are not considered disconnects. These "program shortfalls are considered initiatives. There are two ways to fix a disconnect:

1. You can adjust program content to align with the funding available. This usually results in stretching the program into the years beyond the FYDP or scaling down of the capabilities the program was originally designed to provide. Sometimes you have to do both.

2. You can add money to the program's funding profile to put it back on its original track. You always try this first. However, your command or panel will have to find resources to fill the shortfall, so be prepared to identify the offset. If you're not successful, then you adjust content and/or stretch the schedule.

*DRILL: Each year there are three scheduled pertubations to the Five Year Defense Plan (FYDP). These "drills" result in:

1. the Air Force Program Objective Memorandum (POM) which is submitted the the Office of the Secretary of Defense (OSD);

2. the pricing exercise resulting in the Budget Estimate Statement (BES), and;

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3.   the formulation of the President's Budget (PB).

Each drill may have several intermediate steps for changing
program content , changing budget projections, inflation
adjustment, etc. These "drills" are frequently called
"exercises". "Drill" is a term used as an umbrella for all
the prepatory meetings, briefings and negotiations involved
in each step. The "exercise" is technically a much smaller
piece of the process.

*EXERCISE: The actual "exercise" is the implementation of
the decisions made during the meetings/hearings in each
drill. The "exercise" is the mechanical process involving
database manipulation and files transfer.

EXTENDED PLANNING ANNEX (EPA): The EPA is part of Defense
Guidance. While the DG looks at and provides guidance for
the FYDP years, one of its annexes (the EPA) looks at what
our force structure should be 10 years into the future.
This anex helps determine where the services and MAJCOMs
should direct their programming efforts. (3:X-12)

FIVE YEAR DEFENSE PROGRAM (FYDP): The FYDP is an automated
data base. The FYDP quantifies DoD's future plans regarding
forces and resources. The data is updated three times a
year. These updates coincide with the submission of the
service POMs, submission of budget estimates, and submission
of the President's Budget. The FYDP contains all the SECDEF
approved programs and provides a detailed cost profile
associated with each one of them. The FYDP is used exten-
sively for many activities in and out of the DoD. The
Executive and Congressional branches of government use it to
display and review DoD prior, current, budget, and out-year
funding levels. Within the DoD, in addition to containing
the official published results of the PPBS process, it is
also widely used as a source of data both for analysis and as
an input to alternative ways of displaying actual and
programmed resources. (2:7)

*FORCE AND FINANCIAL PLAN (F&FP): This database is
maintained by SAF/ACB and is the official set of books for
tracking all the decisions made by the DRB and the Air Staff
Board structure.

FORCE STRUCTURE COMMITTEE (FSC):   The FSC is one of the four
committees that report to the Air Staff Board. It studies
enemy force structure, draws conclusions regarding how our

forces should be tailored to meet the threat, and advises the Air Force leadership (via the Board Structure) accordingly.

FUNDED PROGRAM: A funded program is a program that has had money appropriated by Congress. The terms "funded program" and "baseline program" are used interchangeably. A funded program is a program that made it! What did it make it through? Let's take a simplified look at what it takes for a program to earn the distinction of being referred to as "funded". First it had to survive the MAJCOM POM building competition. Then on to the trials of Air Staff scrutiny, past the DRB issue cycle and the PBD costing routine, hopefully to shine in the President's Budget. But even at that point it couldn't be called a "funded program". It still had to survive the three-tiered Congressional inquisition and then hope to have a check written in its honor at the beginning of the fiscal year. The whole process from the time it started the MAJCOM competition to the time Congress said "O.K." took almost two years. Simply said, "It isn't funded until it's funded." And that means not until Congress says someone can "write a check" on that program's account.

GENERAL DEFENSE INTELLIGENCE PROGRAM (GDIP): This is not a "program" like most of the other "programs" referred to in this appendix. The GDIP funds a number of highly classified activities--many have to do with various reconnaissance programs. A good example of the GDIP's relationship with a MAJCOM is how it works with SAC. SAC owns recon crews and airplanes, but the GDIP funds a majority of their operational flying.

HOUSE APPROPRIATIONS COMMITTEE (HAC): Probably the most powerful committee in the House of Representatives. Between it and its Senate counterpart, it controls all the money in the budget of the United States. This has obvious implications for the DoD as the HAC has jurisdiction over all appropriations and really scrutinizes any appropriation aimed at starting a new program.

HOUSE ARMED SERVICES COMMITTEE (HASC): As far as the armed services are concerned, this committee ranks second only to the Appropriations Committee in degree of impact it has on their plans and programs. This committee has jurisdiction over all monetary authorizations (do not confuse

appropriations with authorizations) for the DoD. It has
seven subcommittees that delve into the military's business
in detail. When these committees want a question answered,
that question gets fired down the line faster than you can
imagine (via the SAF/Legislative Liaison Office) and may end
up on your desk. The turn around time on qstions like
these is often numbered in hours. Here's what these
subcommittees are responsible for: Investigations, Military
Installations and Facilities, Military Personnel and
Compensation, Procurement and Military Nuclear Systems,
Readiness, Research and Development, Seapower, and Strategic
and Critical Materials. (3:A-6)

INITIATIVE: This refers to a new program. It is synonymous
with the term "New Start" and is opposite in meaning to
"Baseline", "Funded", and "Ongoing".

ISSUE CYCLE: The Issue Cycle occurs every summer and is the
DRB's review of the service POM submissions. Issues are
divided into eight separate areas and eight "Issue Books" are
developed for our senior leadership to refer to during the
DRB's review of individual programs.

JOINT PROGRAM ASSESSMENT MEMORANDUM (JPAM): The JPAM is a
programming document providing a JCS analysis of the service
POMs. It is consulted during POM reviews in conjunction with
the DRB Issue Cycle and is an aid in drafting the Program
Decision Memorandum each year. It provides a risk assessment
based on the composite of the POM force recommendations and
includes the views of the Joint Chiefs on the balance and the
capabilities of the overall POM force to include support
levels. (2:2-2)

JOINT STRATEGIC PLANNING DOCUMENT (JSPD): The JSPD is a
planning document. It provides the President, the National
Security Council, and the SECDEF military advice regarding
force levels and military objectives and strategy as derived
from national objectives and strategy. It contains a summary
of the JCS force planning levels necessary to execute the
approved national military strategy with reasonable assurance
of success. It also provides JCS views on the attainability
of these force levels in consideration of the fiscal
environment, manpower resources, technology, industrial
capacity, and the interoperability of cross and joint service
programs. Considering the above topics, the JSPD then
provides an appraisal of the capabilities and risks
associated with the programmed force levels. (2:2-1)

JUSTIFICATION FOR MAJOR SYSTEM NEW START (JMSNS): If a new
system will exceed a certain dollar level in its first year
or total amount over the FYDP, it must undergo the JMSNS
review process. These dollar levels vary. A JMSNS is
reviewed by the OSD during its study of the service POM
submissions. Only after a JMSNS is reviewed by OSD can it be
included in the DoD Budget Estimate Submission (BES). A new
program the JMSNS supports is then eligible to compete for a
place in the President's Budget. (3:A-7)

MAJOR FORCE PROGRAM (MFP): There are currently eleven MFPs.
Of all the ways the DOD's funding is divided, subdivided, and
otherwise divvied out, this category of splitting it up is
the first and biggest cut. The easiest way to think about
this is to consider MFPs as one way to slice the DoD money
pie. These big slices (MFPs) can be sliced into smaller and
smaller parts (Program Elements, Cost Elements, etc.). A
complete description including the types of activities each
one of these MFPs covers is contained in AFP 172-4 and DoDI
7045.7 (23 May 84).

NEW START: This term is used interchangeably with and means
essentially the same as "Initiative". Both refer to a
program/PDP that has never before been funded. Its opposite
is a "baseline" or "funded" program. A New Start must com-
pete and survive through the entire POM build, OSD review,
and Congressional authorization and appropriation debate
before it becomes a "funded/baseline" program. New Starts
can be "initiated" at either the Air Staff or MAJCOMs.
New Start/Initiative programs require monetary offsets if
they are to compete favorably at the Air Staff. The need to
provide offsets means the number of these programs any one
panel/command can press for is fairly limited.

OFFSET: Offsets are a method of paying for New Starts and
Disconnects. They are hard to come by because offsets are,
in fact, excess funds that are not or cannot be used
somewhere else in the FYDP. When this "excess" money is
discovered in a program, it is quickly claimed and used to
pay for something else. The extra funds may go to "offset"
the cost of fixing a program suffering a Disconnect, to
"offset" the cost of a New Start, or become part of a larger
draw down of Air Force resources at the direction of OSD (a
smaller budget). In order to "claim" the excess funds, the
organization making the discovery (a panel at Air Staff or
MAJCOM level or a MAJCOM programs office) will have to build
a Decrement PDP to get the money out of the original program
and into safekeeping until it can be applied somewhere else.
The competition for dollars is very intense and when offsets
are discovered they become closely guarded information.

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ONGOING PROGRAM: An Ongoing Program is the same as a "Base-line" and "Funded" program. This means it has been in the FYDP for at least one year. See "Baseline Program" for a thorough explanation of this concept.

OPERATING BUDGET REVIEW COMMITTEE (OBRC): The OBRC is one of the four committees which are part of the Air Staff Board Structure. It conducts an annual repricing of the POM with particular interest in the operating and support accounts. It works as a part of the Board Structure in reviewing the Air Force budget within the PPBS cycles. (1:83)

PANEL: Panels are part of the Air Staff Board Structure. The panel is the lowest level of review (MAJCOM or Air Staff) for all Baseline and New Start programs. Panels discover where excess money is in the Baseline PDPs and set it aside (in the form of decrement PDPs) to be used for other programs. They decide which New Starts will withstand the competition. They put together their individual priority list (for programs in their area of responsibility) and advocate and defend those priorities before the next higher level of review. They also act as advisory bodies regarding programs under their over-sight. In short, the panel level is where all the "trench work" is done. Panels are made up primarily of captains, majors, and lieutenant colonels--about 20 to 25 people altogether, with an O-6 chairperson. The panel members represent a broad range of operational and staff experience.

PDP MONITOR: Every PDP has one! The PDP monitor is the person responsible for knowing all there is to know about a PDP and the program(s) it supports. A PDP will (most of the time) have a number of different Program Elements (PEs) in it and the PDP monitor not only needs to know what each one of those Program Elements is funding, but also know the person who "owns" those PEs. In addition to knowing the PEs and their "owners", the PDP monitor will coordinate on all actions relating to his or her package such as making (or consulting on) any adjustments to the package. The panels (at Air Staff or at MAJCOM level) will normally determine which office, or even person, will be assigned PDP monitor responsibility for specific programs. When questions are asked about a PDP/program, the PDP monitor for that program is the first person to see for answers. This job can be tough if the monitor has an especially complex program. PDP to to keep track of. PDP monitors are very often Program Element Monitors (PEMs) also. These two jobs are often confused, but they are different. See "Program Element Monitor" to help sort out the confusion.

PLANNING, PROGRAMMING AND BUDGETING SYSTEM (PPBS): The PPBS
is the DoD resource management system. Controlled by the
SECDEF, its purpose is to identify mission needs, match them
with resource requirements, and translate them into budget
proposals. The PPBS output becomes the DoD portion of the
annual President's Budget. Planning, the first step in the
PPBS cycle, identifies the estimated threat for the next 5 to
20 years, assesses our capability to meet the threat, and
recommends the forces and support necessary to overcome it.
Programming, the second step, matches dollars available
against the most critical needs and priorities. The result
of this effort is a 5-year program proposal called the
Program Objective Memorandum (POM). This procedure is
followed by all the services. After SECDEF review and
approval (via the PDM) of the service POMs, they become the
basis for budgeting action. Budgeting involves refinement of
detailed costs and development of the individual service
Budget Estimate Submission (BES) needed to accomplish the
approved program. Following review and approval, the DoD
budget then serves as one input to the President's Budget on
which legislative action is taken. (1:19)

PRESIDENT'S BUDGET (PB): The PB is presented to Congress
near the end of January each year. The PB represents the
President's view of how the budget of the United States
should be divided. His budget represents the balance struck
between competing departmental programs (Defense, Education,
Energy, Transportation, etc.) and is arrived at after
consulting with his Cabinet and the Office of Management and
Budget (OMB). OMB oversees the development of the PB. In
that capacity, OMB gets deeply involved in the Program Budget
Decision (PBD) cycle. The PBD cycle takes the services'
Budget Estimate Submissions (BES) data and performs (with
service involvement) a thorough costing of all the programs
in the BES. Submission of the PB to Congress concludes the
budget formulation phase of the PPBS and all of the DoD
programs (new and ongoing) are now in the hands of the
Congressional Budget, Authorization, and Appropriation
Committees. At publication of the PB, the FYDP is updated to
reflect the most current data as submitted to Congress. This
is one of three annual updates to the FYDP data base. The
others are the POM and the BES.

PROGRAM BUDGET DECISION (PBD): The PBD Cycle immediately
follows the submission of the services' budget estimates (the
BES) and attempts to verify those estimates so they are
accurately represented in the President's Budget. PBDs
result from this program cost review. The PBD review is
conducted primarily by the OSD Comptroller with oversight by
the Office of Management and Budget (OMB). The services can

appeal DRB/OMB PBDs that affect the scope of a program.
Appeals are made through a formal process and may result in a
revised or reaffirmed PBD.

PROGRAM DECISION MEMORANDUM (PDM): The PDM is signed by the
SECDEF or DEPSECDEF. It wraps up all the haggling that takes
place each year between the Defense Resource Board (DRB) and
the service components. This negotiation occurs during the
OSD issue cycle and deals with the DRB's review of each
service POM submission. The PDM puts into writing all the
final decisions regarding programs proposed in the POMs.

PROGRAM DECISION PACKAGE (PDP): A PDP is an AF-only format
that displays all the resources needed to support a program.
It contains a narrative description of the program and, more
importantly, specifies the funds (across the FYDP) required
to execute it. A PDP is identified by a specific alpha-
numeric such as A205, C515, or W102. These alpha-numeric
identifiers belong to only one PDP, and they also show which
Air Staff panel has responsibility for its health and well-
being. A PDP is a part of the entire FYDP picture and it is
also a complete and whole entity unto itself. For example, a
PDP supporting everything to do with flying all of SAC's B-
52s might have the following title and alpha-numeric: B-52
Squadrons-PDP A200. All resources in the AF portion of the
FYDP are represented in a PDP.

PROGRAM ELEMENT (PE): A PE is one of the ways to slice the
DOD funding "pie". The first big step is accomplished by
dividing all the DoD Total Obligation Authority (TOA) into
the Major Force Programs (MFPs). The next step down the pie
slicing ladder is the Program Element. (The mission-specific
slice.) There are over 400 PEs in the Air Force. Most Air
Force activities, functions, and weapon systems have very
specific PEs assigned to them and them alone. For example,
we know MFP 1 funds strategic forces and we know B-52s and
FB-111s are strategic force weapon systems. But we also know
there are dozens of other strategic weapon systems (offensive
and defensive) funded under MFP 1. The question in this case
is how do we find out which strategic force program is
getting what part of the MFP 1 slice of the pie. The Program
Element provides the answer. The B-52 weapon system is
funded under its own mission specific PE--in this case the PE
is 11113. And the FB-111 is funded under PE 11115. No other
mission or activity is funded by those specific PEs. One
more example may help. The KC-10 is considered a General
Purpose Forces asset. As such, it is funded under MFP 2 and
its PE is 27222. Notice how the first number of the PE for a
type of system coincides with the MFP under which it's

funded? It is designed to work like that! Whenever you look at a PE, you'll know immediately what MFP you're dealing with by noting the first number in the sequence. (1:85)

PROGRAM ELEMENT MONITOR (PEM): Every Program Element (PE) has one! The duties of a PEM are very similar to that of a PDP monitor in that they both have to possess expert knowledge about what is happening in their area of program responsibility. If you read the definition of a PDP monitor, the same type of responsibilities apply to the PEM. And if you read the PDP monitor definition, you may be expecting an explanation of the difference between the two jobs. There are probably any number of individual variations different action officers will attest to, but the main distinction is this: A PDP monitor may have one or more (usually not more than five) PDPs for which he or she is responsible. Each of those PDPs is composed of individual PEs. Any time the PDP monitor wants to move money around inside his PDP he must coordinate with the appropriate PEM. The PEM, on the other hand may only have one PE (often they have more), but that PE may be contained in several PDPs. That means the PEM is one of the busiest people you can imagine. He or she, like the PDP monitor, had better have answers forthcoming quickly when questions are raised regarding his program responsibilities.

PROGRAM OBJECTIVE MEMORANDUM (POM): The POM identifies total program requirements for the next five year period and includes rationale in support of the planned changes from the previously approved FYDP baseline. The POM is based on strategic concepts and guidance stated in the DG and includes an assessment of the risk associated with current and proposed forces and support programs. When developing the POM, services rank and recommend programs for implementation within the fiscal ceiling for each of the five years in the FYDP. In addition, a key feature of the Air Force POM development process is the use of a corporate review body, the Air Force Board Structure. (1:33)

PROGRAM REVIEW COMMITTEE (PRC): The PRC is one of the four Air Staff Board Structure committees. The PRC reports to the Air Staff Board and, based on expertise gained in its review of all the panel programs, makes recommendations to the Board Structure regarding funding allocations and the potential impact of funding shortfalls on projected programs and forces. The PRC is chaired by a brigadier general (the deputy AF/PRP) and has approximately 15 to 18 senior colonels as committee members. (1:82'

*RAMP MANAGEMENT: A phrase used to describe non-programmatic
and unjustified adjustment to a program's funding based
solely on the rate of growth from any given year to the next.
The "acceptable rate of growth" is rarely stated and
therefore the reduction is usually arbitrary. The ramp
usually appears when looking at a single appropriation within
a program. For instance, conclusion of R&D and the beginning
of a major procurement will create a steep ramp if you're
only looking at the procurement line (as the funds jump from
$0 to $X). Ramp management can also be called "recosting",
"smoothing", or "repricing".

SENATE APPROPRIATIONS COMMITTEE (SAC): This Senate
Committee, like its Congressional counterpart, the House
Appropriations Committee (HAC), is one of the most powerful
on Capitol Hill. It presides over all government appropri-
ations and pays special attention to any newly proposed
expenditures. The SAC's responsibilities are essentially the
same as the HAC's.

SENATE ARMED SERVICES COMMITTEE (SASC): The SASC is another
one of the very powerful Congressional bodies that affect DoD
plans and programs. It has jurisdiction over all authori-
zations for military programs and has six subcommittes that
look at specific areas of the military. Those committees are
Manpower and Personnel, Military Construction, Preparedness,
Sea Power and Force Projection, Strategic and Theater Nuclear
Forces, and Tactical Warfare. (3:A-10)

SPECIAL ACCESS REQUIRED (SAR): This term is very often used
interchangeably with the term "Black Program". It refers to
those programs requiring a special access security clearance
to even discuss. See "Black Program" for a more thorough
explanation.

STATEMENT OF OPERATIONAL NEED (SON): The SON is a document
which outlines a requirement to develop a capability not
currently possessed. It is the primary document by which
using commands (SAC, MAC, TAC, etc.) communicate to the Air
Staff and the developing commands (AFSC and AFLC) their need
for a new operational capability. If a fellow action officer
wants to build a new PDP, the programmer should make sure he
or she has a "validated" SON to go with it before going any
further--without a SON (or other validation documentation)
the PDP will go absolutely nowhere.

TOTAL OBLIGATION AUTHORITY (TOA): In its simplest meaning,
TOA refers to the the total resources authorized by Congress
to execute an individual program, the Air Force POM, or the
entire DoD FYDP.

*WEAPONS SYSTEM CODE (WSC): A WSC is a six-position
identifier for line items in the procurement (investment) and
RDT&E appropriations. These "line items" refer to lines in
the Congressional support documentation that is sent to the
Hill. For procurement, the documents are called P-series,
and the line items are P-line items. For RDT&E, the
documents are R-series and the entries are R-line items.

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